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NEWS SUMMARY

GENERAL

Romania calls for buffer zone

A non-military buffer zone between East and West was proposed by President Nicolae Ceausescu of Romania when he addressed 3,000 Communist party activists in Bucharest.

The President reaffirmed Romania's independent line on foreign policy. The army would never accept orders from outside the country, he said. It was the sacred right of every nation to decide its own destiny without interference from abroad.

He stressed that there could be no question of Romania increasing military expenditure. The present level was adequate and in accord with the international situation, he said. **Back Page**

Mother awarded £100,000

Damages of £100,000 were awarded to the mother of a baby born with brain damage because of an obstetrician's error during the delivery.

Mrs. Eileen Whitehouse of Alvechurch, Worcestershire, was awarded the damages, with costs, against consultant obstetrician Joseph Jordan and Birmingham Area Health Authority. Both denied negligence.

Birmingham High Court heard that Mrs. Whitehouse's eight-year-old son Stuart was "a helpless cripple" and had a mental age of 17 months.

Tehran clashes

Heavy shooting was reported in Tehran as troops clashed with crowds defying curfew and shouting anti-Shah and religious slogans. **Page 2**

Poster ban

The flurry of street poster activity which has enlivened Peking's political life in the past two weeks has been ended by an *unofficial edict.* **Page 2**

Teachers win

Teachers at 22 Welsh schools were entitled to £250,000 extra pay to compensate for the problems of teaching in "stress areas," the Appeal Court ruled.

Rejecting an appeal by Dyfed County Council, the judges said that although an Education Department document had been badly drafted, the 260 teachers in the social priority schools should get their money "in the interests of reason and justice."

Bankers seized

Mr. I. M. Massey and Mr. M. S. Chatterton, the manager and a senior official of the Bank of London and South America, the *Lloyds Bank subsidiary*, were kidnapped by terrorists in San Salvador, El Salvador.

David Nixon

David Nixon, television entertainer and magician, died suddenly at his Chipstead, Surrey, home, aged 59. Two years ago he said he had overcome an 18-month battle against lung cancer.

Amin found

President Amin, reported missing for three days, turned up "leading a small unit" on the Tanzanian border, said Radio Uganda. Andrew Young, American Ambassador to the UN, discussed the border conflict with Uganda when he met Tanzanian *President Julius Nyerere* in Dar es Salaam.

Briefly . . .

Mr. James Brownlow, deputy chief constable of Greater Manchester, has been appointed chief constable of South Yorkshire.

Business stood still at the Stock Exchange as the Queen and *Prince Philip received a rousing* welcome. **Page 3**

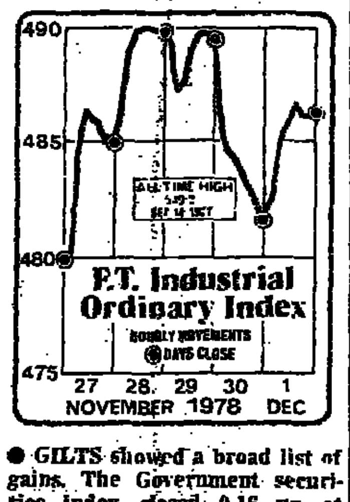
Metropolitan Police are to test hand-held radar guns and other kerbside devices to detect speeding motorists. **Page 2**

Solid Wastes rail transfer station at Brentford has won the Financial Times Industrial Architecture Award for the GLC. **Page 3**

BUSINESS

Equities and Gilts rally

● EQUITIES rallied, encouraged by the overnight recovery on Wall Street. The FT Ordinary share index was 4.8 up at 486.3 at the close.



● GILTS showed a broad list of gains. The Government securities index closed 0.16 up at 68.66.

● STERLING closed at $1.9280, a fall of 65 points. The trade-weighted index fell from 62.7 to 62.6.

● THE DOLLAR closed at Y201.90, near its lowest level for the day but Y2.65 up, following intervention in Tokyo by the Bank of Japan in support of the yen. Against other currencies the dollar was DM 1.9337½ (DM 1.9280); SwFr 1.7375 (SwFr 1.7345). Its depreciation narrowed to 7.7 per cent (8.1).

● GOLD closed after quiet trading at $194¾, $1 firmer.

In New York Comex rose $3.40 to $196.60

● WALL STREET near last *night's close* was *9.15* up at 808.21.

● **COMPANIES** obtaining Government contracts will be discouraged from using *Ford* as a sub-contractor, Mr. Joel Barnett, Chief Secretary to the Treasury, confirmed in a written answer. Fabric industry employers have been warned that they face sanctions if a pay deal for 12,000 workers is not renegotiated. **Back Page**

Shell cuts

● **SHELL** will close old and *obsolete plant at its second* largest UK refinery, Shell Haven, on the Thames, with loss of 550 jobs in five years, and invest £23m in a five-year modernisation programme. **Back Page**

● ***RANK-XEROX*** *has given a* series of undertakings to the Office of Fair Trading aimed at *allowing greater competition* in the copier market, but said this was largely a formality as most were already in force.

● ***AVERYS*** directors are meeting to discuss a possible £83m bid from General Electric. Averys shares finished 64p higher at 238p, *valuing the company* at £87.8m.

News Analysis Page 3, Onlooker Page 4

Boots move

● **BOOTS** will take over the agricultural chemicals marketing business of the U.S. Hercules group. This is expected almost to double Boots' world sales in this field. **Back Page**

● **MORE** than half the money, about £17.75m, committed by the Northern Ireland Development *Agency* in two-and-a-half years has gone into equity in the De Lorean sports car company. **Page 3**

● **BRITISH STEEL** Corporation will spend £1.5m on modernisation of its Cookley stamping works at *Brierley Hill, West Midlands.* **Page 3**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:			Wilmot-Breeden	77	+ [illegible]
Treasury Variable 1983	£95	+ ⅛	Higlands & Lowlands	103	+ [illegible]
AB Electronic	147	+ 5	BP	944	+ [illegible]
Averys	236	+ 62	Siebens (UK)	276	+ [illegible]
BPB Industries	250	+ 5	Ashton Mining	71	+ [illegible]
Cartiers	108	+ 5	Barymin	60	+ [illegible]
Chubb	146	+ 5	Charter Consolidated	132	+ [illegible]
Estates Property Inv.	108	+ 6	Conzinc Riotinto	288	+ [illegible]
Foster (John)	45	+ 4	Jones Mining	26	+ [illegible]
GEC	351	+ 6	North West Mining	28	+ [illegible]
Highland Distillers	155	+ 8	Northern Mining	86	+ [illegible]
IC Gas	368	+ 15	Northgate Expln.	430	+ [illegible]
Lovell (G. F.)	60	+ 4	Otter Expln.	30	+ [illegible]
Manganese Bronze	64	+ 4	Western Queen	19	+ [illegible]
Matthews Wrightson	187	+ 18	Westfield Minerals	360	+ [illegible]
Mills & Allen	227	+ 7	**FALLS:**		
National & Comml. Bk.	79	+ 4	Amalgamated Power	136	− 4
NatWest	283	+ 8	Brady Industries "A"	48	− 4
Pilkington	302	+ 7	Hoover "A"	230	− 7
Scapa	107	+ 4	Inchcape	297	− 6
Stocklake	68	+ 3	Reed International	157	− 4

Swan Hunter wins £200m cruiser contract for Navy

BY LYNTON McLAIN

Swan Hunter Shipbuilders at Wallsend, Tyne and Wear, has won a £200m contract to build the Royal Navy's third anti-submarine cruiser, to be named HMS Ark Royal.

The deal will help to secure jobs until the early 1980s.

The order was announced yesterday by Mr. Fred Mulley, Defence Secretary, after a launching ceremony on Tyneside. It could not have come at a better time for the 2,500 metalworkers at the company's Tyne yards.

Work on hull building ended yesterday when their last ship, *the 16,000-ton HMS Illustrious*, the second cruiser designed to carry Harrier vertical take-off aircraft, was launched by Princess Margaret.

Two years of outfitting and systems installation still has to be carried out on the Illustrious, but the metalworking trades desperately needed more work to stave off redundancies.

Swan Hunter Shipbuilders also hopes to win an £18m order from Bank and Savill Line for a refrigerated container vessel. However, work cannot start until British Shipbuilders, of which Swan Hunter is part, obtains EEC approval to use the Government's *£85m intervention fund* to bring the price down to that of competitive foreign yards.

The Wallsend company may *also be in the running to build* a 16,000-deadweight-ton bulk carrier, part of the £115m Polish order for 22 ships that British shipbuilders signed in January.

The order is one of three placed with Smith's Dock Company on the Tees, but it would be transferred to Swan Hunter *if it is confirmed that a* second Bank and Savill ship is placed at Smith's Dock, as expected.

Sea Harriers

The keel of the latest Ark Royal, 16,000 tons, is expected to be laid next year at the start of a five-year construction programme.

The present Ark Royal, the conventional aircraft carrier of 36,700 standard displacement tons, is only two days away from its end of active service. Its keel was laid at Cammell Laird's yard on the Mersey in 1944, and the vessel will be decommissioned at Devonport on Monday, stores unloaded during the next six months, and the ship scrapped.

Taking its place, the new Ark Royal will carry the Sea Harrier *version of the vertical take-off* aircraft. It will be armed with Sea Dart surface-to-air missiles.

It will also carry Sea King helicopters, which may be supplemented or replaced in the mid-1980s, after the ship is commissioned, by the WG 34 advanced anti-submarine helicopter, on the drawing board at Westland Helicopters.

Other improvements over the Illustrious that may extend the building programme at Swan Hunter include more advanced electronics and the "ski-jump" ramp for assisting the Harriers to take off with greater loads.

The ramp will be designed into the ship from the start and may take the form of an angled deck offset from the keel line.

HMS Invincible, the Navy's first anti-submarine or through-deck cruiser, is fitting out at Vickers' yard at Barrow-in-Furness.

Vickers is also heavily committed on other naval work and was *never a candidate for building* the Ark Royal. Last month the company won a £50m contract to build the Navy's latest *Type 42 destroyer, which will* keep the yard busy into the 1980s.

Swan Hunter damages claim, Page 3

Sterling—EMS link unlikely

By Peter Riddell, Economics Correspondent

THE GOVERNMENT believes the most likely outcome of the EEC summit in Brussels next week is that the UK will not agree to link sterling immediately with other currencies.

But Britain hopes to be associated with the European Monetary System in its broader aspects

Senior ministers and officials believe there is a great deal still to be negotiated. There has been considerable diplomatic activity in the last two weeks aimed at reaching an understanding between the UK and the rest of the EEC over the operation of the system.

Regime

But the view in Whitehall last night was that Britain is unlikely to join the currency regime unless changes are made which the other main EEC countries do not appear inclined to make. But if the Community does move a long way, the UK might look at the proposals more favourably.

In the absence of any surprise *concessions on the exchange rate* mechanism, there are hopes of being able to negotiate a half-way house, involving at best nominal membership of the system. The Government wants to be involved in the broader construction of the system and other later decisions.

It is not clear how far the rest of the EEC will agree to the *British approach.*

Stalemate

Another topic expected to be raised at the two-day meeting is *the Community budget.* Britain is seeking a lead from the heads of government so that work can start on securing what it regards *as a more just way of financing* the EEC's operations.

The Government is also looking for a lead from the summit to break the stalemate on fishing policy and to help resolve the row over farm prices.

Other topics will include a review of French proposals for a group of "three wise men" to look at the difficulties of enlarging the EEC, and a discussion on youth unemployment.

The summit chairman will be *Chancellor Helmut Schmidt*. British representatives will be the Prime Minister and Dr. David Owen, the Foreign Secretary. *But, in line with previous practice*, Mr. Denis Healey, the Chancellor, will not attend.

An ABC of EMS, Page 14

Oil reserves downgraded as Celtic Sea disappoints

BY KEVIN DONE, ENERGY CORRESPONDENT

THE GOVERNMENT has downgraded its estimates of UK oil reserves because of the disappointing results of exploration drilling in the Celtic Sea.

It also admitted yesterday that estimates for UK crude oil production up to 1980 had been too optimistic.

Dr. Dickson Mabon, Minister of State for Energy, said that the latest Department of Energy forecasts suggested that offshore oil reserves might lie in the range of 2,300-4,200m tonnes. This is a reduction at the upper end of 300m tonnes from the forecasts given by the Government in April.

Some drilling continues in the Celtic Sea, but reports from West Wales yesterday that test gas flares had been seen off the coast were discounted by the companies exploring the area.

The most promising well is being drilled by Atlantic Richfield on block 106/24. But this *well was begun only on Novem*ber 12 and has not yet reached the prospective hydrocarbon-bearing zone.

Total estimated reserves given in April were 3,000m-4,500m tonnes. The lower figure had been reduced, said Mr. Mabon, because of a change in statistical presentation.

The changed production forecasts could cause the Treasury to revise downwards slightly the contribution North Sea oil would make to the UK economy up to 1980.

The forecast of the UK reaching net self-sufficiency in oil in 1980 still stands, said Dr. *Mabon. Production this year*, however, is put at 53m-54m tonnes against earlier estimates of 55m-65m tonnes.

Present estimates for production up to 1982 (with the old estimates in brackets) are: 1979, 80-90m tonnes (80-95m), 1980: 90-110m (90-110m), 1981: 110-135m (100-120m), 1982: 115-140m (105-125m).

Domestic

The reduced level of production up to 1980 has been caused by the continuing slippage in field development programmes. Production in subsequent years *will therefore be higher than* earlier estimates, and the forecast for 1982 suggests that the UK will be producing crude oil well in *excess of domestic demand.*

Mr. Anthony Wedgwood Benn, Energy Secretary, is proposing to establish an Oil Industry *Committee with representatives* from the Government, the oil companies and the trade unions. He said yesterday, after a meeting of the Energy Commission, that the committee was needed to examine issues in the oil sector such as refining, offshore licensing and depletion policies.

He is also keen to pursue individual planning agreements *with the oil companies. This* would stem, he said, from participation agreements for offshore oil production that had already been negotiated.

He said the Government had not accepted the oil industry's case that incentives and a less stringent tax regime were needed in order to stimulate a higher rate of offshore exploration, as oil companies argued yesterday in their submission to the Energy Commission.

Mr. Benn said that tax rates needed to be set delicately, but if they were based on rates of return for the smaller marginal fields, the profits on the biggest fields would be "out of this world."

He added that the Government could give specific exploration *directives to the British National* Oil Corporation or the British Gas Corporation to step up drilling, as an alternative *method to offering greater tax* incentives.

Wilmot in talks with Rockwell

BY CHRISTINE MOIR

OLD RUMOURS that Wilmot-Breeden, the engineering group, could be a takeover target revived suddenly yesterday when the company announced *that it* was holding exploratory talks with Rockwell International, the U.S. aerospace, electronics and engineering group.

Wilmot-Breeden's shares jumped 13p to 77p, valuing the *group at £15.9m, after a joint* announcement that talks were taking place concerning "areas of mutual interest."

Both companies were careful to add, however, that it was "too soon to say whether these talks will *lead to some form of* closer association."

Rockwell and Wilmot-Breeden share a common interest in motor components. Rockwell is largely at the heavier end, producing items such as axles, *while Wilmot-Breeden manufac*tures small parts such as window winders, which it makes under licence from Rockwell.

Both companies have similar-sized automotive businesses in the UK where Rockwell has about £35m of sales. Wilmot-Breeden also has a large and succesful motor business in France.

*Nowadays with motor manu*facturers tending to produce cars to a common international design, component suppliers are under pressure to provide services in as many countries as possible. This pressure forms part of the background to the present talks.

Prospects of a full takeover cannot be ruled out, but *Rockwell is no stranger to other* forms of co-operation with UK groups. For the past decade, it has had a joint axle operation with *Rubery Owen, and for five* years it has been making well-head equipment with Pegler Hattersley.

Another joint venture, with Reyrolle Parsons, intended to crack the U.S. power station market, on the other hand, lasted only a year.

Rockwell's total UK sales, however, at £90m, are only a *minute part of total group turn*over of £2.9bn. Net profits last

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FEATURES

Provincial journalists to strike

BY ALAN PIKE, LABOUR CORRESPONDENT

Provincial newspapers throughout England and Wales will be hit by an all-out strike of *journalists from* Monday lunchtime.

The National Union of Journalists' executive yesterday decided to call the first national strike of indefinite length by provincial members *in the history of the union.* It follows a fortnight of milder sanctions by provincial journalists in support of a £20 a week pay claim.

In a bid to increase the effectiveness of the action the NUJ executive also decided to instruct its 200 members working for the Press Association national news agency to stop work from Monday in support of the provincial strikers. Continuation of the PA service during previous disputes has helped newspapers to maintain production with non-NUJ staff.

The strike is certain to have a very serious effect for many *provincial newspapers. Its full* effectiveness will, however, be determined by the extent to which the PA journalists obey the call to stop work.

Provincial journalists are mounting a particularly strong campaign in support of their pay claim this year. The Newspaper Society, which represents the provincial employers, has offered increases worth 9 per cent but only if these can be justified by "special case" appeals to the Department of Employment.

Yesterday's executive decision to go for all-out strike action followed a recommendation *from the union's emergency* committee earlier this week.

Union leaders say they have been coming under pressure *from members* for tougher action since sanctions were imposed a fortnight ago. Feeling in favour of a total strike also rose after about 100 journalists on the Bolton Evening News were dismissed for applying sanctions.

About 1,200 newspapers are covered by the journalists' pay claim.

If NUJ members at the Press Association observe the strike call the agency's service to national newspapers, which are covered by separate agreements, will also be affected.

Print union leader seeks Times talks

BY ALAN PIKE

THE LEADER of the most *entrenched union in the Times* Newspapers crisis yesterday sought a meeting with Lord Thomson of Fleet, the company's president, to discuss the events which have led to the suspension of all Times publications.

Mr. Joe Wade, general secretary of the National Graphical Association, yesterday welcomed a decision by the *company not to issue dismissal* notices to staff for a fortnight although all publication was suspended on Thursday night, but he said this did not go far enough.

"The real issue is still the management's demands on new technology and their statement made no concession in this regard. I still hope it may be *possible for them to put forward* a different basis for these discussions so that we can enter into negotiations without pre-commitments *on either side.* That surely is not unreasonable."

Lord Thomson is due in Britain next week and Mr. Wade said that in the critical situation facing Times Newspapers he believed that his personal involvement would be a great help.

"I certainly would welcome the *opportunity to explain to him* personally the reasons for the stand taken by this union and the implications to our members of *the management's current* proposals."

Mr. Wade added that he was available to meet Lord Thomson at any time and hoped this would produce a "genuine and honourable basis" for a solution.

The NGA is utterly opposed to Times Newspapers' demand that journalists and advertising staff should eventually be able to *transmit material directly into a* proposed new computer-based composing system.

While Mr. Wade's statement *gives no ground on this crucial* principle, it sounds a conciliatory note as the union has up to now refused to meet the company "under duress." The next move will be decided at a meeting of the NGA executive on Wednesday.

Times Newspapers says that all publication of The Times, the Sunday Times and the three Times supplements will cease until all its unions agree on a wide range of industrial relations reforms.

Man of the Week, Back Page

OVERSEAS NEWS

Shell Oil blames price control for petrol rationing

BY DAVID LASCELLES NEW YORK, Dec. 1.

BLAMING Government price controls and unseasonally high demand, Shell Oil today introduced temporary rationing of all its petrol deliveries in the U.S. While this move by the country's biggest petrol marketer adds to uncertainties as winter sets in, other petrol producers are not expected to follow suit.

Shell Oil will limit its customers to 75 per cent of their purchases last December until the end of December or the early part of January. But a spokesman emphasised today that this should not entail long queues at petrol stations.

Shell Oil's move was prompted by a combination of factors. The company has had difficulty at two of its refineries, and output has been reduced by maintenance work. It has also been obliged to cut the price of its petrol by half a cent a gallon under the government's complex price control formula.

The company statement added with a tone of bitterness: "This imposed distortion of market-place forces is further illustrated by the situation where we have again been forced to lower prices in the face of rising demand."

AP adds: Mr. Maurice Granville, chairman of Texaco, said his company's petrol supplies are "extremely tight nationally."

In addition, Mobil and Standard Oil Company of Indiana also have encountered shortages, especially of the unleaded petrol required for most new cars.

Egypt presses for Palestinian timetable

BY ROGER MATTHEWS CAIRO, Dec. 1.

EGYPT IS insisting on three firm dates being fixed for Palestinian progress towards self-rule on the occupied West Bank and Gaza Strip.

Dr. Boutros Ghali, the Minister of State at the Foreign Ministry and a member of Egypt's team at the deadlocked peace negotiations, said today that dates had to be fixed for negotiations to start on the future of the West Bank and Gaza Strip, the date of elections to a Palestinian authority, and a date for Israeli military rule of the occupied territories to cease.

Dr. Boutros Ghali said in an interview published here today: "These three dates will prove that it is a serious process and not just decorative phrases put into the (peace) treaty. And it will prove to Arab public opinion that we aim at a comprehensive settlement."

The interview was published just a few hours before Mr. Mustapha Khalil, Egypt's Prime Minister, was due to hold talks with President Carter in Washington, and follows the delivery of a long Egyptian letter to the Israeli Government. Last night, the Egyptian Middle East News Agency also reported that President Anwar Sadat would not be going to Oslo for the December 10 presentation of the Nobel Peace Prize, which he has been awarded jointly with Mr. Menahem Begin, Israel's Prime Minister.

Assembly voices concern for French sovereignty

BY DAVID CURRY PARIS, Dec. 1.

THE FRENCH GOVERNMENT will easily be able to repair the damage done by last night's parliamentary rejection of EEC enabling legislation. But it will have to stop and think about this further evidence that the course of European integration is provoking increasing fears for French sovereignty.

The National Assembly rejected by 333 to 132 legislation embodying the sixth directive on VAT harmonisation to pave the way for EEC adoption of the "own resources" method of financing its budget—a move which the Government says would have saved France FFr 200m (£24m) a year.

Significantly, only a few days after M. Raymond Barre, the Prime Minister, had congratulated himself on the unanimity of the Government's support, no fewer than 134 of the 155-strong Gaullist contingent joined the Socialists and Communists in refusing to accept the measure.

The Government can recover by incorporating the directive into the general budget law. But it is bound to note that the fears for French sovereignty, which have centred on the forthcoming direct elections, have grown to cover the everyday legislation agreed by the Council of Ministers.

The statement of Gaullist objections came from M. Jean Foyer, the president of the National Assembly's Law Commission.

He complained that, under the cover of broad agreement on European economic co-operation, French law was being altered without the consent of Parliament.

M. Maurice Papon, the Budget Minister, argued that the legislation could be amended, but that the Community had undisputed competence in VAT affairs and that Parliament, in approving the Treaty of Rome, had effectively approved measures flowing from it.

The Socialists voted against the Government in protest against its "conception of Europe," while the Communists echoed the arguments of the Gaullists.

CGT trade union makes allowances for dissenters

BY DAVID WHITE PARIS, Dec. 1.

M. GEORGES SEGUY, Communist head of France's principal union body the Confederation Generale du Travail (CGT) has emerged intact from the organisation's three-yearly congress held in Grenoble this week, by making measured allowances for dissenting factions.

The union's representative organs remain dominated by Communist Party members although socialists have gained some ground. The Socialist representation on the 93-strong executive commission elected yesterday after the union's central committee had made its own recommendations, goes up from three to seven.

The only change on the 16 man central committee, which includes M. Seguy, re-elected as secretary-general, brings in a second Socialist.

Since the Left's defeat in the March general election, the CGT leadership has been under strong criticism both from other unions and from many of its own members for its close political alignments with the French Communist Party, of which M. Seguy is a long standing politburo member.

The concessions made to minorities and dissenters, for instance pledging them space in union publications, bear important implications for the Communist Party itself, most of whose militants are also active within the 2.35m-member CGT. Censorship of internal criticism in the party's publications is notorious.

Sr Carlos Andres Perez Venezuela's President

Venezuelan election campaign frenzy ends

By Joseph Mann

CARACAS, Dec. 1.

VENEZUELA'S Presidential campaign has come to a frenzied end as candidates sought to attract undecided voters through a rash of street rallies and an avalanche of costly political advertising.

In one of the few free elections in Latin America, 6.1m Venezuelans are expected to go to the polls on Sunday to elect a new President and members of national and state legislatures. The incumbent chief executive, President Carlos Andres Perez, ends his five-year term next March and is prohibited by law from standing again for at least ten years.

Voters will choose from among ten Presidential candidates ranging from a former guerrilla on the far Left to personalities on the Right seeking to recall the "good old days" of the last dictatorship. Venezuelans toppled their last military dictator, Gen. Marcos Perez Jimenez, 20 years ago and have held national elections four times since then.

The Presidential campaign, which began officially last April but which actually has been in progress for almost two years, has been a costly, noisy and extravagant exercise in democracy. Three of the major candidates have paid lofty fees to U.S. political specialists who advise the parties on campaign and media strategy. They have devised masses of slick television, radio and newspaper advertisements which often resemble U.S.-style political propaganda.

The campaign has been the longest and costliest in Venezuelan history. Informed observers estimate that the major parties are spending a total of $100m in their efforts to win the Presidency of this oil-rich South American republic.

The race will be a close one with the winner coming from one of the two largest political organisations in the country. Representing the government's Accion Democratica (Democratic Action) Party is Deputy Luis Piñerua Ordaz, whose Party has won three out of the last four elections. His chief opponent is Senator Luis Herrera Campins, standard bearer for the Social Christian Copei Party.

The two leading candidates are both long-time politicians in their fifties. Although recent polls give Sr. Piñerua a slight edge, political analysts believe the outcome is still uncertain. Many of the country's 6.1m eligible voters (out of a total population of 13m) are undecided or are voting for the first time.

Of the other candidates in the running, four represent far-Left forces (including the tiny Venezuelan Communist Party), two are running on the record of dictator Perez Jimenez and two are independents. On the far Left, the Movemiento al Socialismo (MAS) and Movimiento Izquierdista Revolucionario (MIR) are expected to cull the greatest number of votes.

Fighting for third place will be independent candidate Diego Arria, a former minister and governor of Caracas under the current government, and Socialist candidate Jose Vicente Rangel of MAS.

Teng curbs poster politics

BY JOHN HOFFMANN PEKING, Dec. 1.

THE CHINESE Government has put an end to Peking's "speak-out-for-democracy" campaign. An unofficial edict, released with apparent approval of the powerful Vice-Premier Teng Hsiao-ping, has virtually killed off the street poster activity which has enlivened Peking's political life in the past two weeks.

Overnight reports implied that the directive against the wall-poster campaign had been accompanied by a formal ban on public gatherings. These reports have not been confirmed, however, and most people feel that such a ban would be unnecessary. Some argue that the poster campaign was running out of steam anyway.

The tacit clamp on public debate is believed to result from Mr. Teng's view that intense interest shown by foreign journalists in China's shift towards democratic freedoms is unsettling and unhealthy.

Mr. Teng is known to approve of the movement in principle, but his main concern is for national stability. From the official viewpoint, this means that freedom of expression has its limits, and these have been reached. There will be no further sanction from the leadership for wallposters criticising the Government or demanding new civil freedoms.

One of the most surprising aspects of the "freedom movement" in Peking has been the enthusiasm with which Chinese people have approached foreign diplomats and journalists. As a result, world attention has been focussed on popular stirrings rather than the Government's larger interest in modernisation.

Some Chinese officials have expressed concern about exaggerated reports of recent incidents in Peking. An instruction known only as "Central Document Number 57" was circulated in Peking yesterday, for Chinese eyes only, putting fresh limits on publicly expressed opinion. Among other restraints, it advises against further criticism of the former Chairman Mao Tse-tung. Simultaneously, wall-posters in defence of Mao have appeared.

Leaflets posted on the walls of one of Peking's major hotels yesterday eulogised the former Chairman as "the red star in our hearts," and said: "Anyone who blames Mao Tse-tung for the Tienanmen incident should not be allowed to speak."

The posters have been linked with subdued but kindly references to Mao in the official Chinese media, and with a spirited defence of the former leader by Vice-Premier Teng. They suggest that popular criticism of Mao's failings has gone far enough.

Mao Tse-tung, formerly the idol of post-liberation China, has been reduced to human dimensions in a part-official, part-grass-roots campaign painting him as dogmatic, prone to failure and amenable to flattery. Some critics have even linked him with the most damaging excesses of the "Gang of Four."

The accompanying ideological reconstruction of China's recent history has swept away "Mao cultism," rephrased many Mao tenets and cleared the way for a modernisation programme based on realistic expectations rather than on idealistic visions.

Indo-Soviet agreement signed

BY K. K. SHARMA NEW DELHI, Dec. 1.

A VIRTUAL dovetailing of the Indian and Russian five-year economic development plans is implicit in the long-term economic co-operation agreement concluded here today.

The agreement is the culmination of Russian efforts since the Janata Government took power in March, 1977, to keep India close to its orbit. Indo-Soviet relations have been extremely close since the 15-year friendship treaty was signed in 1971 by Mrs. Indira Gandhi's Government, but the Russians feared some change when the Janata Government declared itself in favour of what it described as "genuine non-alignment."

Russia increased its efforts to woo India after signs that China and India were keen to improve relations, damaged by the Sino-Indian border conflict of 1962. Since then, trade with China has resumed in a small way, and political relations have improved markedly. Mr. Atal Behari Vajpayee, India's Exeternal Affairs Minister, was to have visited Peking last month but changed his plans because of illness. The visit is still to be made, although no date has been set.

The Chinese are unlikely to welcome the accord with Russia, although it is strictly an economic co-operation agreement. For this reason, it does not violate India's non-alignment policy, which aims at keeping clear of military involvement with the superpowers. Curiously, the agreement has been signed while Mrs. Juanita Kreps, the U.S. Secretary of Commerce, is here to discuss ways to increase Indo-U.S. trade and investment.

Special court possible for Mrs. Gandhi

BY OUR OWN CORRESPONDENT NEW DELHI, Dec. 1.

THE WAY for speedy prosecution of Mrs. Indira Gandhi on charges of corruption and abuse of power arising out of the Shah commission's reports on her 19-month emergency rule was cleared today when the Supreme Court gave its opinion that a special court could be set up for the purpose.

The opinion of the Supreme Court had been sought a few weeks ago by India's President after a Bill was introduced to parliament on setting up a special court for the purpose. Its main object is that Mrs. Ghandhi should not be allowed to use normal procedures to delay action against her. By obtaining injunctions, it is possible for a litigant in India to delay legal proceedings up to five or six years.

With the setting up of the special court, Mrs. Gandhi can appeal against its verdict only to the Supreme Court. This eliminates committal proceedings as well as hearings by lower courts and the high court. Cases against Mrs. Gandhi are ready and are now expected to be launched as soon as the special court is set up.

Mrs. Gandhi, who has made a remarkable political come-back by winning a parliamentary by-election and by getting her Congress faction recognised as the official opposition in parliament, is in trouble in the Lok Sabha (Lower House), where she stands to lose her seat for contempt of the House. The Privileges Committee has found her guilty of breach of privilege and present indications are that her membership will be suspended unless she apologises to the House—an unlikely event since she will be admitting that she is guilty of blocking an inquiry into her son's automobile company.

However, the Janata government is divided on taking swift action against Mrs. Gandhi whose only hope lies in cashing in on differences within it by enticing a large segment over to her side and thus try to topple the government. She has already made moves in this direction.

Nigeria continues talks on Warri steel plant finance

FRANKFURT, Dec. 1.

NIGERIA WILL continue to negotiate the whole of the DM 1.9bn (£513m) West German financing package for the Warri steelworks, according to Mr. James Olueye, Finance Commissioner.

Mr. Olueye said agreement has still to be reached on terms of the DM 1.2bn (£372m) export credit, which forms the major part of the package.

German banks recently withdrew a DM 750m loan, which forms the balance of the package, from a major Eurocredit for Nigeria signed here yesterday.

Mr. Olueye said the banks had insisted on retaining the link with the Warri project, and it was therefore necessary to withdraw the mark loan in order to reconsider the whole Warri financing situation.

At issue are charges totalling 5½ per cent on the credit from Hermes, the German Government export insurance agency, which come on top of conventional capital market terms, he added.

Mr. Olueye described the present situation as a temporary stalemate and said agreement should be reached within a few months.

The charges, which constitute 4 per cent Hermes cover and 1¼ per cent general fees, are generally borne by the exporter and included in the delivery price.

However, in this case, Nigeria originally intended to pay cash for the works, and the industrial consortium involved, led by Gutehoffnungsbuette Sterkrade, therefore offered a cash price.

It was only later that Nigeria decided to take export financing for the project and it was then understood that the borrower would bear the charges, the banking sources added.

Mr. Olueye said he was satisfied with the Euroloan just signed, adding that Nigeria has obtianed 75 per cent of the $1bn originally sought.

Reuter

Iran bank records check

TEHRAN, Dec. 1.

A THREE-MAN team from Iran's Justice Ministry is checking central bank records after opponents of the Shah claimed the 180 prominent Iranians, including royal family members, transferred some $1.8bn into foreign bank accounts.

A five-page list purporting to give the names of the persons involved in the alleged transfers and the amounts they were to have sent abroad during recent political turmoil was circulated several days ago by a group of central bank employees.

"We believe the list is highly coloured and exaggerated," said Mr. Shahpur Shirazi, the central bank's currency controller. "We have our own list of questionable transfers, but it's much, much smaller.

"We're prepared to hand that over to the proper authorities if we find that currency controls have been violated," he said.

Somoza agrees to plebiscite

MANAGUA, Nov. 29.

NICARAGUAN President Anastasio Somoza tonight agreed to a plebiscite on his future, as proposed by an international mediation team.

The country's political opposition—but not Left-wing guerrillas—agreed earlier today to the plebiscite, widely regarded as Nicaragua's last chance of avoiding civil war.

General Somoza told a news conference his acceptance was conditional on the alternative to his remaining in power would be the formation of a constituent assembly to draw up a new constitution and organise a provisional government.

He said that if he were defeated in the plebiscite he would neither hand over to a national unity government organised by the broad opposition front (FAO), nor leave the country.

The mediators, from the U.S., Guatamala and the Dominican Republic, had set noon today as a deadline for General Somoza and the opposition to reply.

They proposed a plebiscite within the next two months guaranteed by the Organisation of American States (OAS) to decide whether General Somoza should resign and go into exile, as the FAO demands, or serve out his presidential term until May 1981.

HOME NEWS

More redundancies in Wales after week of dismissals

BY ROBIN REEVES, WELSH CORRESPONDENT

A BLACK week for employment in Wales culminated yesterday in an announcement that a Bridgend engineering company has issued preliminary redundancy notices to its 240 workforce.

Earlier, 200 workers were dismissed at the ailing Tri-ang Pedigree toy company and a big cutback was announced at Hoover, Wales's biggest single private employer.

The latest threat is at Harris Economy, a subsidiary of the American Hoist Company making balers, shears and other equipment for the scrap industry. The company blames the steel recession for its difficulties.

Partner

The whole workforce at Harris Economy has been given 90 days' notice to quit, but the management is to hold discussions with the engineering workers' union to see if some jobs can be salvaged and a shutdown avoided. Meanwhile, the company is calling for voluntary redundancies.

In Merthyr Tydfil, it was business as usual at Tri-ang yesterday. The 200, from a workforce of more than 300, who were given dismissal notices on Thursday marched into work on time yesterday morning, headed by a trade union banner, to continue normal duties.

They entered the factory with the unofficial co-operation of the receiver-manager, put in by the Government a year ago to run the business.

The Tri-ang employees intend to work normally for at least a week instead of taking their redundancy payments, in the hope that the search by the Welsh Development Agency and the Wales TUC for a partner to relaunch the company will succeed.

The idea of relaunching Tri-ang as a co-operative appears to have been virtually abandoned. But the development agency is evidently prepared to put up £1.5m towards a rescue, providing it can find a partner with £1m of risk capital and a commitment to put Tri-ang back on its feet.

At Hoover, shop stewards are to meet on Monday to discuss the company's crisis measures. So far, Hoover's retrenchment policy does not include outright redundancies, but they are not being ruled out.

Some 600 jobs have disappeared at Hoover's Merthyr factory over the past year through a ban on recruitment and this week a big expansion scheme, which originally promised an extra 3,000 jobs for the area, was shelved.

Private anti-cigarette Bill gets first reading

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A PRIVATE MEMBER'S Bill, which would give the Government wide-ranging powers to control cigarette advertising and sponsorship by tobacco companies, has been presented in the Commons by Mr. Laurie Pavitt, Labour MP for Brent South.

It received its formal first reading in the House yesterday and is listed to come up for a second reading on February 9. But, although Mr. Pavitt is optimistic about its chances of getting on to the statute book, the odds are stacked against it.

Two other Bills are ahead of it for debate on February 9. If it does get discussed on that date, it would still face all the usual hazards associated with private members' legislation.

The measure, The Tobacco Products (Control of Advertising, Sponsorship and Sales Promotion) Bill, does have strong all-party backing, however.

Mr. Pavitt is chairman of the all-party Group for Action on Smoking and Health, and is also chairman of the Labour Party's Health Group.

Apart from the Conservatives, the sponsors include Mr. Harold McCusker (Ulster Unionist, Armagh), Mr. Donald Stewart, leader of the Scottish Nationalists, Mr. Gwynfor Evans, leader of the Welsh Nationalists, and Mr. Clement Freud (Lib., Ely).

The Bill, similar to the one going through the Irish Dail, would give the Secretary for Social Services the power to make orders to control and regulate the advertising and promotion of cigarettes and tobacco products. More significantly, it would give him similar powers over all other activities to promote the sale of tobacco products.

Project to give industry a better image

SIR JOHN METHVEN, director-general of the Confederation of British Industry, yesterday introduced a new series of tape/slide programmes, aimed at showing industry and commerce how the medium can help their business.

The programmes, produced by a consortium of 14 leading production companies demonstrate the use of tapes and slides in sales promotion, exhibitions, visitor centres, training and public relations.

Lord Ted Willis opened the meeting, which was chaired by Mr. John Chittock, film and video columnist of the Financial Times.

North development body agrees to avoid politics

THE LONG controversy over the future of the North of England Development Council ended yesterday when its executive committee accepted eight guidelines laid down by the North-East County Councils Association.

The recently formed association comprises the region's four county councils.

The guidelines mean that the development council will in future concentrate mainly on promotion and publicity, leaving political affairs to local authorities.

The dispute began when Tyne and Wear County Council, the development council's biggest local authority backer, threatened to withdraw its £84,000 annual grant unless the organisation approved the new policy.

The executive voted against the recommendation by union officials to defer the final decision on the new guidelines until they could be considered more fully.

Mrs. Maureen Taylor, development council chairman, said: "A lot of time and energy has been wasted on this matter in recent months. I hope the sniping will now end."

The council also voted to open its meetings to the Press for the first time in 16 years.

Metropolitan Police to test radar 'guns'

BY MAURICE SAMUELSON

HAND-HELD radar "guns" and other new kerbside speed detection units, already in use elsewhere in the UK, are to be tested in London from Monday.

The "guns," which look like hair dryers and cine cameras, are the Canadian made Muni Quip and the U.S. made Kustom HR8. They can be used by a foot patrol or from a vehicle. The officer aims at a car and its speed is displayed on the "gun."

Also to be tested in the Metropolitan area are two new kerbside devices, the Gatso Mini Radar, made by James Scott of Glasgow and used in Holland; and the South African made Truvelo Speedmeter, sold through West Germany.

The new equipment has been used by other police forces for more than a year. The Sussex police have made more than 3,000 prosecutions with the Muni Quip "gun," which is thought to cost about £800.

Speed detectors were first introduced in the UK in the early 1960s. The four devices to be tested by the Metropolitan Police are the first which can be operated by one policeman instead of a team.

Competition planned for new Westminster Pier

WESTMINSTER PIER, 110 years old, is to be rebuilt. The Greater London Council's London Transport committee is to hold a competition to find the most attractive and practical design.

Mrs. Margaret Williams, vice-chairman of the committee and GLC member responsible for river services, said: "This pier is the key to all passenger boat operations on the Thames. Thousands of people use it every day in the summer months.

"It is now in a very poor condition—in fact it is not expected to last more than another four years. The new pier must be fitting for its unique location. For this reason we think it right that private enterprise should be involved as well."

Officers will consult boat operators and prepare a brief with a view to setting up the competition in the new year.

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Nixon sets out to stir the sleeping giant. **David Tonge** reports

'Man is imperfect' and Watergate unmentioned

WATERGATE, Lord Longford pointed out yesterday, had long been the telegraphic address of Sidgwick and Jackson. But seated at his side at a luncheon in the Hyde Park Hotel, Mr. Richard Nixon merely beamed at his British publisher in response. From the uncertain territory of Oxford, he had moved to the more favourable world of business and conservative politicians such as Mr. James Prior and Mr. Reginald Maudling. There were speeches expressing admiration at the man who had opened up relations with China and "ended the war in Vietnam." No one present seemed disposed to point out that he had merely ended U.S. engagement in that war.

In the heady atmosphere around the "President," as Lord Longford called him, the murkier side of Watergate was even less hinted at in the questions asked of him, than it had been at the Oxford Union.

Accessible

Watered with compliments, Mr. Nixon flowered. But with a difference. Four years in the political wilderness in San Clemente have turned the abrasive, aggressive figure of the past into a gentler, more accessible person. "Man is imperfect," he said, before launching into an almost dialectical analysis of perfectibility.

When asked whether he ever entertained the possibility of being wrong about Alger Hiss, by prosecuting whom he had made his name, he replied with the inevitable "No." But he added: "Though as a man I would like to." On Watergate, too, he was quick to adopt his new-found tone of near-contrition: "It was a great blunder and I have to take responsibility for my mistakes."

His central theme, however, was whether "freedom in the broadest sense can survive" — a melodramatic question, he admitted, but one made necessary because the tide was running against the West in every area except the economic one.

Central, of course, in his argument were the dangers of the red peril: "I was anti-Communist, am anti-Communist, and am going to be anti-Communist," he insisted, to murmurs of "hear hear" from some of the 101 people present.

Eurocommunism was, he argued, as dangerous as Communism. "I have yet to see when, on a significant major international issue, one of the so-called Eurocommunist parties has taken a position significantly different from the Soviet Union." He claimed that in France there was considerable evidence that M. Marchais, the French Communist leader, had acted in a way that was not conducive to a Left-wing victory, stating that this was not an accident and connecting it to the way that the Russians did not want the "sleeping giant" of the West to awake.

Leadership

At this point he was reminded of his own criticism that "It is despicable to make a racket of anti-communism or any other cause to stir people up and then give them no positive leadership or direction." What would his own role be? Here the contriteness slipped for a moment, with his answer: "You can only be elected twice as President, and I have no desire to run for anything else." He had retired from political life, but not fro mlife, he said. And, in life, anti-communist life, he intends to continue participating. The eggs and jeers from the Oxford streets have obviously buried in the same deep caverns as the ignominy of the days before his resignation. And Mr. Nixon, partially restored in public life by his welcome behind closed doors in Britain, obviously believes in his new self-appointed role, that of the non-partisan statesman who will be increasingly frequently lecturing the world from San Clemente.

HOME NEWS

LABOUR NEWS

Unit trust group fears part of Bill

BY ANDREW TAYLOR

THE Unit Trust Association yesterday became the latest City body to criticise sections of the Companies Bill dealing with the problem of insider dealing.

In a memorandum to the Trade Department, the association said under proposed regulations, directors, managers and employees may not feel able to deal in their companies' shares at all.

The effect of this, says the association, is that honest people will not deal for fear of prosecution while unscrupulous operators will be relatively undeterred.

The association, however, said it welcomes the proposals to prevent directors abusing their responsibilities towards shareholders.

This is regarded as a much more serious matter than insider dealing.

Anglomar damages bid rejected

By Christine Moir

SWAN HUNTER GROUP has been cleared of any liability for a damages claim from Anglomar Shipping over a ship built by Swan Hunter Shipbuilders before it was nationalised last year.

In the High Court yesterday, Swan Hunter Group, the non-nationalised part of the original company, was given a formal discharge from a writ issued by Anglomar as part of its damages claim.

Swan successfully argued that any liabilities incurred under an indemnity it gave in relation to the building contract for the vessel, London Lion, have been transferred to Swan Hunter Shipbuilders.

Anglomar claims that the ship was defective, and is claiming damages from Shipbuilders which could amount to £6m.

Swan Hunter Shipbuilders became a part of British Shipbuilders after nationalisation.

Stockbrokers in merger dispute resign

DISAGREEMENT on whether to merge with Murray and Co., the Birmingham stockbrokers, has led to the resignation of three partners and one consultant from Lyddon and Co., the Cardiff-based brokers.

The four men will now become partners at a branch office to be set up by Murray in Cardiff. They are Mr. G. E. G. Daniels, Mr. J. S. Cox, Mr. D. A. Cantlay and Mr. G. T. Cantlay. Their resignations will become effective on December 29.

The merger had been sought to "broaden the base" of the firm, said Mr. R. B. Frame, a partner of Murray and Co., yesterday.

More approval for Piccadilly rebuilding

By John Brennan, Property Correspondent

PICCADILLY, London, is to acquire a £40m leisure centre. The Greater London Council's central area planning committee has agreed to plans submitted by the Electricity Supply Nominees, the electricity industry's pension fund, for the redevelopment of the Trocadero site between Shaftesbury Avenue and Wardour Street.

The pension fund's scheme, first proposed in the spring, has now been accepted in outline by all the relevant planning authorities. The developer expects that the creation of a Disney land style leisure centre linked with shops, restaurants, theatres and exhibition centres will draw about 3.5m visitors a year.

If detailed planning submissions are accepted by the GLC, Westminster council and the Secretary for the Environment, building work on the project could be under way early next year.

Ulster agency commits £31m to car venture

FINANCIAL TIMES REPORTER

MORE THAN half the money committed by the Northern Ireland Development Agency, since it was set up two and a half years ago, has gone into equity in the new sports car company being established in Belfast by Mr. John De Lorean.

Mr. Dennis Faulkner, the agency's chairman, who yesterday presented its second annual report, said £31m had been committed to date, mainly through its role as "a high risk merchant bank." However, Mr. De Lorean, the former General Motors executive, recently announced that he plans a fund-raising campaign in the U.S. next spring. The proceeds are to be used to buy out the Government stake and loans in the Belfast factory.

Building of the 500,000 sq ft factory would start early next year and by the first quarter of 1980, when production began, the agency would start to receive royalties on car sales.

Identified

Mr. Faulkner forecast substantial growth in the number of jobs provided by companies in which the agency would have a holding. It stood at 4,500 and should increase by about 2,200 in a year or so, he said.

The accounts for the year to March 31, 1978 show the agency retained losses of £4.4m mainly accounted for by a £3.1m loss incurred by the troubled West Belfast hi-fi company, Strathearn Audio, which is agency-owned.

During the year the agency invested £6.75m in 19 companies or projects. It already had investments in 10 of the companies. Seven had never been asisted before and two were helped with product development.

More than 80 per cent of the funds invested went to 10 companies in areas of high unemployment.

The chairman said during its second year, the agency identified its role more clearly. It was not in the busines of grants and subsidies. Its primary function was to provide venture capital and loans, taking risks not normally acceptable to commercial banks.

The £50m financial limit—set for the agency set two years ago is soon to be raised by Mr. Roy Mason, the Ulster Secretary.

Mr. Faulkner said the agency was much more optismistic about the future than for a long time. Ulster was at long last getting a reasonable share of the positive happenings in world economics.

It was working closely with the Northern Ireland Department of Commerce to identify the industrial sectors on which the province should focus its search for overseas investment.

Lloyd's members back £45m building plan

BY JOHN MOORE

MEMBERS OF Lloyd's have voted overwhelmingly for the proposed £45m redevelopment scheme at Lloyd's Lime Street site in the City.

Of the 1,400 members eligible to vote only 906 did so. They were largely working members of the Lloyd's market. Lloyd's said yesterday that the extended voting period enabled many underwriting agents to consult their own underwriting members before voting.

Lloyd's will begin detailed discussions on the scheme, which may start next summer.

The planned redevelopment involves demolition of the market's former trading floor on the east side of Lime Street and building of a 500,000 sq ft office and trading complex. It is due for completion in 1986.

Hugh Routledge

Mr. Fredy Fisher, right, editor of the Financial Times, presenting the award to Mr. Jake Brown, architect of the GLC project

GLC lands Financial Times architecture prize

BY COLLEEN TOOMEY

THE Greater London Council, often the butt of criticism over its architectural designs, earned an accolade yesterday that should impress its critics.

One of its biggest projects, the £5m solid wastes rail transfer station, in Brentford, has won an architectural award.

It is the first time the GLC has gained the Financial Times Industrial Architecture Award in the prize's 12-year history, a double bonus considering the rather undistinguished task to which the building is put.

Each day, the Brentford station receives about 1,000 tonnes of waste from five boroughs. It is compressed into steel containers and carried by rail to a distant tip.

The GLC's station is the first large site to receive solid waste by rail. It is highly mechanised and requires only about 25 employees to operate the plant.

Two architects appointed from the Royal Institute of British Architects and a lay assessor, Sir Charles Troughton, chairman of the British Council, described the award-winning building as "clear and bold" in form, "neat and practical" in detail and "simple and logical" in planning.

One important advantage for the GLC is that it has converted a once squalid site into a pleasant-looking work environment. The site was originally used for stacking wrecked cars and was polluted with chemicals and oil.

The Queen gets a warm welcome from members of the Stock Exchange during her 10-minute visit to the floor.

Queen pays Stock Exchange return visit

BY JAMES BARTHOLOMEW

THE QUEEN and Prince Philip paid a ten minute visit to the floor of the Stock Exchange, yesterday.

And the Royal visit was shown on the Exchange's internal television, for those who could not get on to the packed floor.

During her tour, the Queen, wearing a green dress and jacket with black trimmings, talked with Miss Christine Evans, one of the new women members of the Exchange. Miss Evans is an authorised clerk at brokers James Capel.

The Queen then moved on through the industrial pitches to the gilt edge dealers. The Exchange estimated £20m of business was sacrificed during the visit.

The Prince Philip followed a different route. On one of the pitches of jobbers Wedd, Durlacher, Mordaunt, he asked about the price displays and factors affecting the market.

The last time the Queen visited the Exchange was to open it on November 8, 1972. Yesterday, however, was the first time she had seen the new floor during trading hours. She was escorted by Mr. Nicholas Goodison, chairman of the Exchange.

After visiting the floor she had lunch with the 47 members of the Stock Exchange Council.

Mr. Goodison said her visit was not for any special reason but he was pleased with the visit and remarked on the "happy atmosphere."

The Financial Times index loyally rose 4.7 on the day to 486.2.

The Queen's last visit preceded the vicious bear market of 1973-1974 but Mr. Goodison dismissed the idea that this might be repeated.

Directors group to lose top executive

By Maurice Samuelson

THE Institute of Directors will shortly advertise for a new director-general to replace Mr. Jan Hildreth, whose five-year contract expires at the end of next year.

Mr. Hildreth said yesterday he would have liked to stay on for another one or two years but will not do so because he objects to the planned restructuring of the institute's administration, favoured by Mr. Denys Randolph, the chairman.

Under the plan, worked out by a management consultancy, Mr. Hildreth's role would be narrowed to that of a spokesman, and a separate head of administation would be answerable to the chairman.

"That would turn me into a disembodied voice, out of direct touch with the institute's membership," he said.

Although the restructuring will be discussed by the institute's council on December 12, Mr. Hildreth said Mr. Randolph was acting as though it had already been officially approved.

Mr. Randolph, who is chairman of Wilkinson Match, said that the council meeting would deal less with Mr. Hildreth's position than with the broader plans for the institute's running in the 1980s. He looked forward to its transformation into a federated European body with an impact on the EEC Commission in Brussels, where it might eventually open an office.

Mr. Hildreth, while endorsing the need to "keep our hand in in Europe and the U.S.," said the priority was still to secure the institute's financial viability, and to strengthen its voice and membership.

Both men refused to personalise their differences. Mr. Randolph said it was unlikely that Mr. Hildreth would leave before his contract expired. Mr.

£1.5m modernisation for stamping plant

BY JAMES McDONALD

THE BRITISH STEEL CORPORATION is to spend £1.5m on modernisation of its Cookley stamping works at Brierley Hill, West Midlands.

"The modernisation should help to secure the future for this works, which employs some 300 people," said BSC yesterday.

The corporation proposes to close the main part of the Cookley plant, used for production of electrical steels and employing 600 people, and to move the production to Newport, Gwent.

The three-year modernisation scheme involves replacement of some older equipment by nine modern presses; reorganisation of press shop layout to improve product flow; and general modernisation of the site, with renovation of services such as electricity supply and distribution.

Cookley stamping works, part of BSC Welsh Division's associated products group, makes laminations and transformer core plates from electrical steel supplied by the plant at Cookley and by the Orb Works, Newport. Its products go to electrical equipment manufacturers for incorporation into motors, generators, chokes and power transformers.

A £1.9m development, announced in August last year in the electrical steels finishing department at Cookley, is nearly completed.

Fintel viewdata publicly available next summer

FINANCIAL TIMES REPORTER

EXCHANGE TELEGRAPH (Extel) and the Finanical Times are to invest £500,000 in their joint venture, Fintel, which will provide business information on Prestel, the Post Office's viewdata service timed to become publicly available in about six months.

Fintel will present business information in several forms, from daily news to company data and surveys of sectors. It will also offer analysis and comment on industry and finance, provided by Financial Times journalists and by industry analysts.

The service has prepared 4,000 pages of material (a page is a screen-full of information) rising to 10,000 pages next year. It is the largest provider of business in formation on the Prestel system.

Fintel pays £4,000 a year rent to the Post Office and a fee of £4 a page. Mr. Brian Botten, managing director of Fintel, said yesterday that he expected the service to break even by 1983.

The user of the service pays a telephone charge, probably also a Prestel premium charge, and a charge for each page viewed, varying between 5p and 15p.

In addition, Fintel hopes to attract corporate advertisers to block-book 100 pages in which to present company information as they wish, at a cost of between £3,000 and £4,000.

Mr. Botten said: "There is no doubt in my mind that this new way of communicating information will be rapidly accepted by business both in Britain and overseas. Fintel is actively involved in discussions with the Post Office on international

Inquiry team set up to aid consumers

By Our Consumer Affairs Correspondent

THE COMMONS Select Committee on the nationalised industries has established a new subcommittee to inquire into the role of consumers and the nationalised industries.

The move follows the Government's announcement in the Queen's Speech that it intended to bring in legislation "to strengthen the consumer voice in relation to the nationalised industries."

The sub-committee will hold public sessions in the New Year and is also inviting comments from interested bodies.

Heath 'faced same pay challenge as Labour'

MR. EDWARD HEATH, the former Conservative Prime Minister, said yesterday that trade unions were challenging the Government's incomes policy in exactly the same way as they had challenged his government.

He said pay moderation was essential in the battle against inflation, and criticised those who called for Government to fight inflation but were first to complain when action was taken.

"This country today cannot stand more than 5 per cent overall," he declared.

Mr. Heath was speaking to 400 students at an open meeting of Edinburgh University Conservative Association.

He dealt with world trends, and with the need for Britain to accept technological changes. He then volunteered his views on pay and trade unions in a question and answer session.

He said Britain's foreign competitors managed to achieve co-operation between governments, unions and employers.

Britain had a two-party system in which the parties were fundamentally divided about the nature of the economy, making industrial investment more difficult.

"What has clearly emerged is that this Government is being challenged by the unions in exactly the same way as the Conservative Government was."

Fast action with £150m to spend

NEWS ANALYSIS

GEC EXPANSION PLANS

BY MAX WILKINSON

THE General Electric Company has committed £150m in principle in its latest phase of expansion by acquisition and development.

Thursday's announcement, that it is interested in making an £83m bid for Averys, the weighing machine manufacturer, indicates the speed of its expansionary phase.

So far, the company has announced a joint venture with Fairchild, the U.S. semi-conductor company, to build a new plant in the UK for probably £50m.

GEC has also made a £54m agreed bid for A. B. Dick, the U.S. office equipment company, and has announced two smaller U.S. ventures in control and automation.

The company is undoubtedly expecting to make further big acquisitions, perhaps in the near future. It is prepared to spend anything between £500m and £600m, provided that it can find the right companies at the right time to fit into its broad general strategy.

The strategy has three main strands. The first is to expand its presence in the U.S. through buying marketing networks, as well as production facilities.

The second is to develop a new range of products in office equipment retail and distribution, based on advanced computer and communications techniques.

The third strand is the acquisition of a distribution and service network for the new products that the company hopes to develop.

Buying A. B. Dick and Averys would provide the all-important sales network that GEC lacks in the office and retail areas.

What, therefore, are the new products that the company wants to introduce, and how will it set about the task?

The company starts from the simple proposition that average investment for each office worker in the U.S. is only $2,000, compared with $25,000 for the average production worker. Clearly, therefore, considerable scope exists for increasing automation in the office.

The type of automation in which GEC is interested falls into three basic categories of business systems: those for the transfer of information, such as word processors, for the tranfer of stock, such as automatic warehouse equipment; and for the transfer of money.

Most such systems will be based on computers, ranging from specialised minicomputers to microcomputers, and on communications technology.

One example is the emerging market for point-of-sale terminals in large retail stores, which read the prices of goods automatically from an encoded magnetic strip. This information is used by an electronic cash register at the point of sale to produce the customer's bill, but is also transmitted directly to a computer that can perform several functions, including stock control and a running sales analysis.

Eventually such systems will probably be linked directly to banks so that credit payments by a customer can be made with an immediate, automatic debiting of his account.

In the office, GEC has its eye on the market for word processors or typewriters linked to a magnetic storage device. Word processors are already being given the ability to communicate with one another by telephone or data links. They might therefore supplement the telex and provide a form of electronic mail.

In the industrial market, GEC believes that Averys weighing devices can also be made to communicate and be linked directly to computers and office systems.

A large weighbridge could thus be coupled directly to a factory computer system to record goods shipped. In smaller production-line systems, weights of foodstuffs could be recorded automatically before the goods are packaged, then automatically printed on the carton. That information could also be collected by larger computer systems.

For developing the new products and systems, GEC will probably have to build new management techniques.

It has tended hitherto to split its business into different independent operating units. In the next phase of development, however, closer co-operation between divisions will probably be needed.

Acquisition is an unpredictable business. Where GEC is unable to buy a suitable company, it will have to fill in the gaps by developing its own capabilities.

An obvious centrepiece for expansion would be the purchase of a U.S. specialised minicomputer company. It is believed to have considered several possibilities, including Modcomp. However, so far no suitable candidate has emerged.

At the same time, GEC is expanding its minicomputer business, adding products suitable for business use. However, that will not by itself give the company access to the crucial U.S. market.

Farmworkers' claim for special pay status rejected

BY PHILIP BASSETT, LABOUR STAFF

MINISTERS rejected a claim yesterday by farmworkers' leaders to make agricultural workers a special case beyond the 5 per cent limit of Government pay guidelines.

The refusal means that the farmworkers' union will meet the employers' side next week to persuade it to increase its 5 per cent offer. The union has submitted a pay package for increases of more than 100 per cent.

Mr. Jack Boddy, general secretary of the National Union of Agricultural and Allied Workers, put the union's claim yesterday to Mr. John Silkin, the Agriculture Minister.

The claim for special case treatment was based on the provisions for self-financing productivity deals allowed under the White Paper. The union told Mr. Silkin that agriculture improved its output by an average of about 5 per cent every year, compared with an average industrial improvement of 2.5 per cent.

Mr. Silkin accepted the importance of agriculture to the economy and the achievements it had made in improving productivity, but rejected the claim because productivity deals under the White Paper's provisions had to be negotiated with individual companies rather than across the board for a whole industry.

Mr. Body said after the meeting that whenever agricultural employers had a good year farm workers felt no benefit from it. "We shall go back to the Agricultural Wages Board and try to persuade them to re-examine their offer."

He said that the 5 per cent offer would put an extra £1.65 on the basic rate of £43. The employers have also offered to restore farmworkers' overtime rate to time-and-a-half, and to improve craftsmen grade workers' differential rate from the present 10 per cent above basic to 12.5 per cent.

Mr. Boddy said that the offer would mean effective reductions in pay for lower-paid workers after tax and other deductions.

The union's claim includes an £80 weekly minimum wage, a reduction in hours to a 35-hour week, a fourth week's holiday and other benefits. The union claims average agricultural weekly earnings are £25-£26 behind average industrial earnings.

Esso stewards threaten to strike in New Year

BY NICK GARNETT, LABOUR STAFF

SHOP STEWARDS representing Esso tanker drivers and depot workers decided yesterday to reject the company's annual pay and productivity offer and recommend a strike from January 3 if the proposals are not improved.

Shell stewards are recommending a strike from January 2 if their offer is not raised. Senior stewards at British Petroleum deferred a decision this week on industrial action after an indication from BP that it was willing to renegotiate its offer to tanker drivers and ancillary workers.

Esso's offer involves an increase on the existing basic rate of £75 to £78, and a rise in the level on which overtime and shift pay are calculated from £59.25 to £70. It is linked to productivity.

The company said yesterday that it had agreed to reopen negotiations next week.

Of the big five companies, stewards at Shell, BP and Esso have rejected company offers. Stewards are being recommended by union negotiators to reject the annual pay offer made by Texaco.

Senior stewards at Mobil have been recommended to accept their offer, which is now being put to depot meetings of drivers.

Mobil's offer is calculated by the company as worth 11 per cent including 6 per cent for improved productivity, although much of this would be consolidated into basic rates. The company already operates a drivers' productivity scheme unlike the other four major petrol and oil suppliers.

In return for the cash offer, the Transport and General Workers' Union, which represents the drivers, is being asked to agree to faster journey scheduling and increased road speeds, a saving of 10 minutes a day on loading and unloading, and an underground system of aircraft fuelling at Gatwick.

Labour Party pay offer faces Ministry probe

BY OUR LABOUR CORRESPONDENT

A RECENT pay offer to Labour Party employees is to be examined by the Department of Employment, Mr. Harold Walker, Minister of State, told the Commons in a written answer yesterday.

Mr. Norman Tebbit, Conservative MP for Chingford, said that the offer appeared to be in breach of the Government's pay guidelines.

Mr. Walker said the Department relied on a wide range of sources, including published information and queries from MPs and members of the public, to follow up possible breaches of the pay policy. The Department of Employment also carried out a systematic monitoring of major settlements.

The Labour Party pay offer in question applies only to heads of departments. They were offered increases of 5 per cent now and a further 5 per cent in May by the party's executive but this was rejected.

The departmental heads have now submitted a claim to the Central Arbitration Committee for a restructuring exercise based upon job comparability. If this succeeds the committee would be able to award increases above 5 per cent without breaching the policy.

However, the party executive recently requested the heads to withdraw their arbitration committee claim and resume negotiations. This is now being considered.

Booth warns workers to keep fit' for change

TO "KEEP FIT" FOR CHANGE BRITISH WORKERS must keep themselves fighting fit to meet the challenge of new technology, Mr. Albert Booth, the Employment Secretary, told a meeting of Deptford Labour Party, in London, last night.

"The notion that you only train once for your career is fast becoming outdated," he said. "Modern technology advances so quickly that any skill is liable to become obsolete. The only way to stay ahead of the game is to keep in training—to stay fighting fit.

"The training and re-training of adult workers is essential if we are to come to terms with new technology. As a nation we must do that or face the prospect of a threadbare Britain.

"If we do not meet the challenge we shall be unable to compete in international markets and eventually all of us will suffer. The stark choice for workers may soon be between re-training or unemployment. Industry must think ahead and create systems for constantly re-training workers to cope with new technology."

The Minister continued: "We have reached a stage where outdated skills must be adapated or replaced. This can only be achieved through re-training, whatever age or experience the individual worker has reached.

"The Government and the Manpower Services Commission are already creating a framework for action. More than 80,000 adults received training under the opportunities scheme last year and over the last three years £160m has been made available to support industry's apprentice training."

But, Mr. Booth concluded, "the responsibility for training rests with employers and the trade unions. Government can support and encourage—but industry itself must assess and meet future needs."

Tugmen will stay out

TUGMEN AT Southampton, who stopped work on Thursday in a pay dispute, are to continue their strike. They are to meet again on Monday.

The strike has stopped movement of cargo and container ships in or out of the port, and has also hit the movement of tankers at the Fawley Refinery near Southampton.

Ferry movements in the port are unaffected, but the dispute could delay the move of the liner QE2, which has undergone an annual refit at Southampton.

Jail governors join visits row

PRISON GOVERNORS yesterday entered the dispute over proposed weekend family visits to the Styal women's prison, near Manchester.

The Home Office is currently examining the possibility of allowing relatives other than husbands and boyfriends to make prolonged visits to inmates at the prison.

Prison officers have already voiced concern about the proposal. Now they have been joined by the Prison and Borstal Governors' branch of the Society of Civil and Public Servants.

This branch represents almost all 560 prison governors and assistant governors in England and Wales.

THE WEEK IN THE MARKETS

GEC weighs in for Averys

There were signs of a much needed recovery in investment demand when the new account opened this week. Small buying was apparent but a shortage of stock in the leaders prompted more interest than of late in the second line stocks; after two

LONDON

ONLOOKER

days the Financial Times Industrial Ordinary Index etaoin... trial Ordinary Index had risen ten points. Thereafter however, buyers went to ground as many expressed concern over U.S. short term interest rates. As bargains fell to a low point for the year the main activity yesterday was focused around the Royal visit to the Stock Exchange.

GEC's mooted £83m bid for Averys adds more than a little spice to the week-end's speculative gossip. With the weighing machine group so far non-committal. City attention has now switched to Tuesday's board meeting when Averys directors are due to discuss the 225p per share cash terms that GEC has said it would be prepared to offer.

The possibility of a higher offer or even a counter bid were two factors yesterday fuelling the Averys' share price which closed 62p up at 236p. Analysts meanwhile feel GEC would be making another attractive buy following its £52m agreed bid for U.S. office equipment company A. B. Dick. Averys would provide an established sales and marketing network to which its prospective parent could add technology and cash.

In particular it would allow Averys to develop rapidly its point-of-sale terminals and weighing systems by a link up to computers. Both GEC's recent forays, of course, are swamped by the company's huge net cash balances, more than £600m at the last balance-sheet date. Compensation payments for its 50 per cent stake in the now nationalised BAC are also likely soon, so it seems highly probable that further takeovers are on the way. Next week is a busy one for GEC—interim profits of around £165m-£175m are expected on Thursday.

Inchcape losses

Shares of Inchcape, the British-based international trading conglomerate, this week plunged to a new low for the year of 297p following further significant losses at its Dutch commodity trading subsidiary Harbon Holdings.

The problems have surrounded shipments of cocoa from the Ivory Coast and the cost to Inchcape looks like being high. Losses over the past 18 months have risen to £7.5m and on top of this the group has made provisions now totalling £17m.

The position has deteriorated since the end of the group's last financial year. The losses at Harbon stood at £1.5m and there were additional provisions of £5m.

This week Inchcape revealed a further £6m loss in Harbon's first half and announced that extra provisions of £12m might have to be provided. The effect was to knock 36p off the share price in three days' trading.

The group has also revealed that a number of management changes have been made at Harbon, while certain contracts have either been closed or revalued. A group spokesman said that difficulties had arisen over delayed or non-shipment of cocoa from overseas suppliers.

Inchcape says that it is making every effort to minimise losses but the omens do not look very good for the next set of interim figures due early in the New Year. In the year to March 31, 1978 Inchcape earned pre-tax profits of £62.3m—some £11m less than the previous year.

Racal on song

Racal Electronics this week produced figures showing first-half profits up more than 25 per cent at £24.3m, and appended a forecast of full year profits "in excess of £57m". This has been widely taken as meaning anything up to £65m, given the conservative forecasts produced by the group at the half-way stage in the past.

The interim figures contain a significant shift in favour of the non-military data communications business, which has expanded to 29 per cent of Racal's total sales from 25 per cent a year ago and has shown a sharp improvement in profit margins.

But tactical and strategic radio communications still represent 35 and 13 per cent of sales respectively. For the tactical side, the medium-term outlook is not clear, although Racal—having failed in its bid to become a prime contractor to the U.S. Army's SINCGARS V programme—hopes to take a strong market position from marketing its own version of the equipment next year, well in advance of the U.S. Army programme. Strategic radio communications are said by the group to be under examination, as the division is not growing by the kind of figures Racal expects from a major division.

The shares recovered some ground yesterday to around 334p after slipping a little after the announcement. At present levels the yield is about two per cent.

BP surprise

British Petroleum caught the market off-guard when it announced last Thursday that income before extraordinary items for the third quarter of 1978 was £85.6m compared with £60.1m a year ago, and £120.8m in the second quarter.

Most City analysts were expecting a figure around £125m and the shares slumped 16p to 920p when the figures were announced. But the share price recovered quickly to 930p when it became apparent that the main problem was an underestimation by analysts of the impact on BP of the drop in the sterling value of its dollar balances. The shares recovered further yesterday, with a 20p rise to 944p. In the period, the rate of the U.S. dollar against sterling dropped by $0.11 and this reduced reported income by £43m. Analysts were aware of the adverse impact, but estimates of currency losses ranged from £20m to £30m.

On the trading side, conditions in Europe showed the expected improvement. Refiners' margins improved following the substantial rise in spot prices for light distillates. Chemicals sales volumes are virtually unchanged on last year, but over-capacity in Europe and imports from the U.S. have further depressed margins. Production from the Forties Field averaged in excess of 500,000 barrels a day in the period but income was down in sterling terms because of the weaker dollar. Net income from the 51.2 per cent interest in Sohio totalled £39.2m.

The latest third-quarter figure takes the total for the first nine months to £292.0m compared with £314.4m for the same period last year. Analysts expect a very strong fourth quarter, but because their third-quarter projections have proved overoptimistic they have shaved their final estimates to around £450m.

THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM NOVEMBER 2

	% change
Insurance (Life)	+ 8.4
Discount Houses	+ 8.0
Insurance (Composite)	+ 6.2
Tobaccos	+ 6.0
Oils	+ 5.8
Wines and Spirits	+ 5.2
All-Share Index	+ 2.9
THE WORST PERFORMERS	
Household Goods	− 0.9
Pharmaceutical Products	− 1.0
Toys and Games	− 1.2
Shipping	− 1.5
Newspapers, Publishing	− 1.5
Overseas Traders	− 5.1

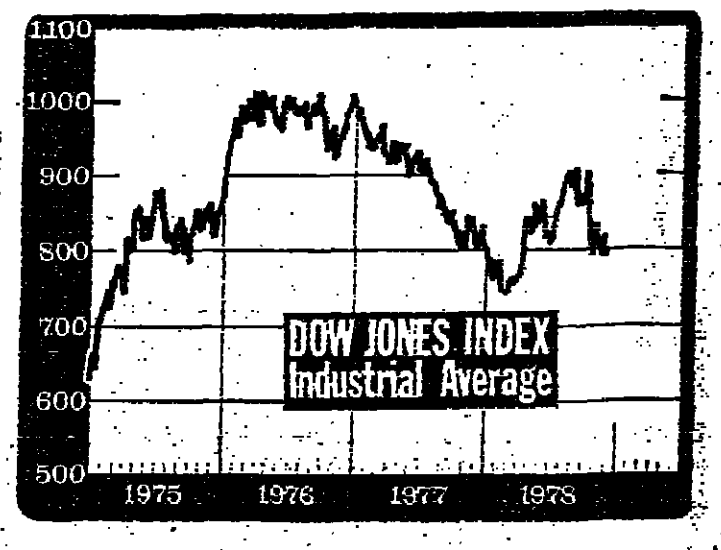
MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978 High	1978 Low	
Ind. Ord. Index	486.3	+ 6.4	535.5	433.4	Firm tone maintained/small trade
BAT Inds.	292	+14	346	260	Favourable Press comment
BPB Industries	250	+27	263	203	Good interim results
Brady Inds. A	48	−14	74	48	Interim profits setback
Brentnall Beard	44	+ 8	58	28	Bid approach
Central Pacific Minerals	400	+100	820	150	Australian and U.S. buying
Comet Radiovision	139	+11	154	99	Sharply increased profits
Dowty	283	+13	304	152	Continued investment support
Elliott (B.)	171	+21	171	89	Good half-yearly figures
Hall (Matthew)	223	+13	260	167	Int. due Monday/BP contract
Inchcape	297	−51	445	295	Further £12m cocoa-debt provision
Lidstone	170	+75	170	67	Bid approach
London Sumatra	192	+25	197	69	Bid speculation
NatWest	283	+17	298	250	Broker's circular
Peerage of Birmingham	†54	+11	72	32	Awaiting bid developments
Pleasurama	79	+10	80	60½	Revived speculative demand
Sangers Group ...	86	+ 8	87	75	Good mid-way results
Time Products	178	+14	212	101	Revived speculative demand
Westfield Minerals	360	−40	395	80	Uranium prospect Newfoundland
Whim Creek	90	+35	100	35	Speculative buying.

† Price at suspension

U.K. INDICES

Average week to	Dec. 1	Nov. 24	Nov. 17
FINANCIAL TIMES			
Govt. Secs. ...	68.52	68.17	68.21
Fixed Interest	69.95	69.64	69.48
Indust. Ord.	486.3	475.5	476.3
Gold Mines	125.7	132.8	134.3
Do (Ex $ Pm)	94.3	96.8	96.3
Dealings mkd.	4,248	4,218	4,284
FT ACTUARIES			
Capital Gds.	235.13	228.19	228.90
Consumer (Durable)	207.08	201.38	200.47
Cons. (Non-Durable)	209.84	205.9	205.21
Ind. Group	219.56	214.54	214.67
500-Share	244.90	239.50	239.27
Financial Gp.	168.12	162.61	161.39
All-Share	223.89	218.70	218.36
Red. Debs.	55.17	55.17	55.10



Those that hope for rates rise

THERE IS a suspicious touch of early August about the U.S. stock market today. Up 9.18 points in the first half hour, blue chips such as Boeing and IBM showing substantial price increases, the dollar looking firm abroad and finally Mr. Robert McKinny suggesting that the Federal Reserve Board may be able to begin easing off its policy of raising interest rates. If the name is not instantly recognisable, that is not for lack of effort by Mr.

NEW YORK

JOHN WYLES

McKinney who, as chairman of the Federal Home Loan Bank Board is the public protector of the interests of the mortgage industry. Many a time he has agonised during the past year on the relentless rise in short term interest rates and warned of its possibly damaging impact on the housing market.

At times, Mr. McKinney's fears have struck a sympathetic chord with the stock market, which has been just as worried about short term interest rates and equally anxious to see a wold of falling rates and cheaper money. Mr. McKinney's noises off stage have been as welcome this morning as a whispered prompt to a forgetful actor and, while the larke is not yet on the wing for the stock market, some investors are clearly entertaining the hope that short term interest rates may go no higher.

A similar conviction put down some fragile roots in late July ad early August when the commercial bank's prime rate was at 9 per cent (11-12 per cent today) and when the Federal Funds rate, the shunting engine of short term interest rates, stood at 7.88 (9⅞ per cent today). This little bit of summertime indulgence added 56 points in two weeks to the stature of the Dow Jones industrial average and with so recent experience it could be foolish to say we are not about to see another temporary blossoming.

The main fertiliser appears to be the latest money supply figures and although Wall Street bulges with sophisticates who attach no significance to one or two weeks' figures there are always a few ready to put some precautionary money into the market in case of a new trend. U.S. money supply has fallen for the past two weeks, and while the rate of growth may well be slower than it was three months ago, it seems unwise to many economists to dream of a significant slowdown in monetary growth and of a consequential decline in interest rates when inflation is running at close to 10 per cent and the economy clipping along at 3 per cent growth rate.

This penetrates the stock market's perception sometimes, as on Tuesday when the publication of the consumer price index for October ended a 28.58 gain in the Dow achieved in eight consecutive sessions. Last month prices motored along at 9.6 per cent annual rate of increase and Wednesday offered no relief from harsh reality when it was disclosed that the U.S. trade deficit in October widened to $2.13bn—average trading volume of less than 21m shares between Monday and Thursday indicates that harsh reality has sidelined many investors for the time being and those still in the game are concentrating on quality stocks with good earnings potential. Thus Boeing's share price has moved from 64⅞ at the start of the week to more than 69 in this morning's trading as the company's ever growing order book points to a solid gold early 1980.

Finally, an historical point, Salomon Brothers has analysed the four year cycles which have characterised the board movements of the stock market since the late 1950s and has concluded that the market will have to drop below the 742 low established in March if it is to inform with historical averages. The average trough for price earnings ratios would point to a low for the Dow of 609, while a repay of the 6.53 per cent yield produced by the market bottom of 1974 would indicate a low of 740.

Monday	813.84	+ 3.72
Tuesday	804.14	− 9.70
Wednesday	790.11	− 14.03
Thursday	799.03	+ 8.92

Market out of favour

CHRISTMAS SHOPPING must now be getting into full swing but one market which is not attracting the customers is that for South African gold shares. Here stalks uncertainty, that most dreaded bogey of sharemarkets.

There is a combination of fears about African politics: the future of the investment dollar premium; and, more particularly, about how well the bullion price will stand up to the next U.S. monthly auction on December 19 of a doubled offering of some 1.5m ounces of gold—South Africa's total monthly production is running at around 1.9m ounces.

Consequently we have seen the Gold Mines index fall this week to 124.1, its lowest since September 9 last year when the bullion price was $147 per ounce. It is currently holding up reasonably well at $194½.

Admittedly this is a far cry from the heady days of October this year when the price hit an all-time high of $245, but it still provides very good earnings for the mines and the average received by them so far in the final quarter is above the $204 received in the September quarter.

Meanwhile, dividends remain on the rising trail and for an overseas buyer who does not have to pay the investment dollar premium there are now tempting dividend yields of upwards of 20 per cent on some leading issues. Sooner or later the prospect of getting one's capital back in, say, four years is going to bring back the buyers, but not before they see the result of the next big bullion auction.

The Anglo American Corporation group's South African mine dump retreatment operation, East Rand Gold and Uranium (Ergo), reckons to recoup its R145m (£86m) capital cost within five years and then to operate very profitably for many more years: the prospectus spoke only of production from slimes (waste) dams currently available "during the first 20 years."

Its break-even cost has been put at only $30 per ounce for gold and the annual production rate of bullion is 7,000 kilogrammes (225,057 ounces) together with 200 tonnes of uranium oxide and 530,000 tonnes of sulphuric acid. One of the attractive aspects of the operation is that it effectively reduces pollution by extracting uranium from these old radioactive dumps and it also allows the reclamation of the land on which they stand.

These points were stressed by Mr. S. P. Botha, the South African Minister of Mines and Labour at this week's official opening of Ergo (production started in February this year). Although Ergo operates a con-

MINING

KENNETH MARSTON

ventional treatment process, its plant is the largest in the world and the operating know-how gained could be passed on to other countries, notably the U.S. and Canada, which have plenty of old mine waste dumps.

Gold still provides some 23 per cent of pre-tax profits of London's **Consolidated Gold Fields** and this percentage will probably increase in the current year to June 30. At this week's annual meeting the chairman, Lord Erroll of Hale, anticipated "another very satisfactory year's results."

He was concerned, however, that the price of the company's shares was substantially below their asset value and he promised that the group would concentrate on achieving "a high and sustainable growth in earnings per share."

Over the past few years the group's record in this respect has not been outstanding: after jumping to 30.72p in 1974, earnings were 32.48p in 1975, 14.23p in 1976, 20.28p in 1977 and 25.15p last year. It also looks as though there will be no more rights issues in the foreseeable future. The last offering at end-1977 was the fourth in 10 years.

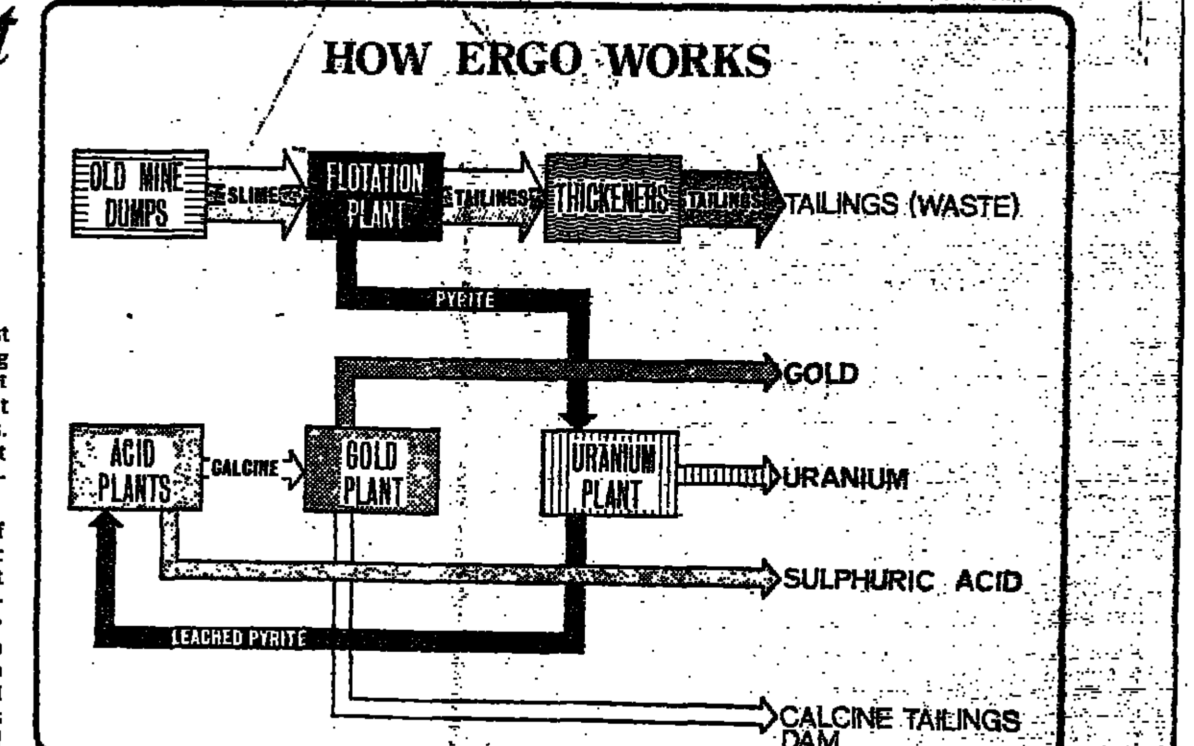
Moving to the intriguing world of exploration, we come to Canada's **Westfield Minerals** and its uranium prospect in the vicinity of the upper Humber River in Newfoundland. Since the discovery was announced in October, the shares of Westfield have advanced from 130p to 395p at one time without the aid of any uranium assay values.

This week there have been values aplenty announced. They have ranged from under 1 lb uranium oxide per ton to an almost incredible 230 lbs from one boulder located near the radioactive Wigwam Creek. The various assays have been taken from sample material in shallow pits and trenches.

Bearing in mind that an assay value of around 3 lbs is considered very acceptable the latest values are exciting. But at this stage there is no indication of how big the deposit is, or even if there is no real deposit but just a few isolated uranium occurrences. Only a drilling programme can seek the answers and this is to be started within a week or so.

While waiting for the drills to go down, the old comment that "many a good mine has been ruined by sinking a shaft" may be running through many shareholders' minds. At this stage nobody knows whether Westfield is sitting on a bonanza or not. But good results will be needed to justify the current share price of 360p which capitalises the exploration company at over £22m.

Westfield also owns 13.6 per cent of Northgate Exploration (worth some £4m) while Northgate holds 45 per cent of Westfield.



YOUR SAVINGS AND INVESTMENTS 1

There is nothing to stop a businessman investing his pension money in a yacht or racehorse. Controlling directors can claim valuable tax relief for ploughing pension money back into their businesses. Eric Short investigates

Having your cake and eating it

Plain sailing: Buy the yacht through the pension fund.

HOW CAN a controlling director of a small company boost its cash-flow, solve the capital transfer tax problems of passing on the business to his children and collect some generous fringe benefits in one move? The answer to this conundrum is for him to establish his own self-administered executive pension scheme and then using its money to invest back in his business.

Pension schemes represent the most tax-efficient savings methods yet devised and they have the tacit approval, if not the blessing, of the Inland Revenue. Within generous limits, lump sum payments to the scheme's beneficiaries are completely free of all tax, their pensions are taxed as earned income and the company can offset its contributions against its corporation tax bill. Pension contributions made by a company on behalf of an employee are not a taxable benefit-in-kind in his hands.

It is not surprising that executive pension schemes have proved to be this year's best seller for life companies—Standard Life this week reported business up by 150 per cent.

The inconvenient thing about a normal pension scheme from a controlling director's viewpoint is that it eats up cash. With a life company scheme once that cash has been paid over it is lost to the firm for ever. This is very much a matter of concern to family businesses where the cash requirements for expansion come from retained funds.

With a self-administered pension scheme, however, the company retains control over the investment of the funds. The trustees are usually the directors concerned. So at least part of the assets can be invested back in the company. There has been considerable publicity over the absence of any control on pension fund investment. The funds can literally invest the money in whatever form they choose.

Although this is not strictly true for what the Revenue classes as small schemes with less than 12 members, there is considerable investment freedom with restrictions being placed only on the percentage of funds that are lent back directly to the company.

The other advantage of pension schemes is that their investments are virtually tax exempt. To take advantage of this, the company instead of investing directly in new premises or plant out of taxed profits, pays over the money to the pension scheme to make the investment. It can then lease the new assets from the fund. Then thanks to the saving of tax on profits, this procedure cuts the net outlay by half. The subsequent rental costs are paid net by the company (that is they count as a deduction against its profits for tax purposes) but they are invested gross by the pension fund.

Take, for instance, a company which wishes to build a new factory costing £100,000. It can pay out the £100,000 directly; or it can pay the £100,000 to its directors' pension scheme as "contributions," at a net cost of only £48,000. The rent will be £8,000 until the next review. This would be received in full by the pension fund, but would only cost the company £3,840 after tax relief.

Similar effects are achieved by the sale and lease back of existing fixed assets. The company can issue a loan stock on its assets to the fund. The company's cash flow is boosted from the pension scheme.

There is little to stop a greedy businessman investing his pension fund money in yachts, bloodstock, antiques or even Mediterranean villas.

It would take another article to discuss the morals of this type of investment. But I feel that it is this misuse of tax privileges with small schemes rather than a gilt strike by the large schemes that will bring about investment control and direction. It would be a pity if this stopped more responsible users of pension fund money.

A pension scheme is a continuing entity. There is no capital transfer tax bill on the death of a trustee. If enough assets and shares are transferred from direct ownership to the pension fund, the company will be controlled by the family as trustees of the pension scheme rather than directly as shareholders. Control can be handed down without CTT problems simply by changing trustees.

When a self-administered fund is established, however, an actuary's report is needed to determine what contribution rate should be paid. The actuary also has to report on the financial state of the fund at least once every three years. This regular scrutiny provides the best check against abuses.

Companies interested in establishing such schemes need the advice of expert pension consultants. These persons are only now beginning to advertise their services—the Leicester-based Pointon York claims to be writing five schemes a week. Stenhouse Reed Shaw Life and Pension has produced a booklet explaining its services, while consulting actuaries Duncan C. Fraser and Hymans Robertson are known to be active in this field.

Checking on charges

UNIT TRUSTS

ERIC SHORT

INVESTORS seeking unit-linked regular savings plans now face a bewildering choice. A host of life companies are issuing contracts ranging over almost every type of investment with huge differences in management charges.

To help the private investor make a rational choice; Fundex, publishers of Money Management magazine, has recently updated its handbook* on unit-linked savings.

To maximise his returns, an investors needs to pick a company with good management and a portfolio likely to do well in the future. The life policy should probably provide low life cover thereby providing the management to keep its charges to a minimum and, to put as much of your money as possible in units.

Past performance is a useful but not infallible, guide to the quality of management. The book provides a record of performance over 10 years. The best and worse performers this year are shown in the table below and M & G group has again shown up well. But most of the plans now being marketed have not been running for ten years, so this comparison of past performance is of limited usefulness.

One of the book's most valuable services to investors is to provide details of management charges. Life companies, unlike unit trusts, are not subjected to control on the level of charges and it is only competition that acts as a brake. Several groups put up their renewal fees at the beginning of the year to cope with growing pressure on expenses. A general rule is that the investor should go for the lowest charge—and highest investment allocation—but if the charge is too low the company may not be able to afford good management. Good managers do not come cheap.

The book unfortunately gives very little guidance on the merits of the various investment media — equities, property, fixed-interest and so on. But most companies now offer investors a choice of funds with facilities to switch between funds. Current charges for switching are listed.

The book also provides a valuable series of introductory articles for the novice investor and explains, for instance, how unit-linked schemes work in practice. It gives guidance on their tax implications and tips on how to choose your scheme. This latter section does give some explanation on the merits of the various investment funds available.

The book will enable you to sort out the sheep from the goats. When you have done that you will need a pin, for there are many sheep to choose from.

* *Unit-linked Savings Plans from Fundex Limited, Freepost, London EC4B 4QJ; price £8.45 including postage.*

REGULAR SAVINGS PLANS

The pay-out for a young man who invested £10 per month in a 10-year policy which matured in July this year.

BEST PERFORMERS	£	BOTTOM PERFORMERS	£
M & G Midland	2,572	English NATBITS	1,379
M & G Dividend	2,479	Cannon Dover Plan A	1,377
M & G Special	2,289	S & P ITU	1,365
Britannia Extra Income	2,184	Abbey Life General	1,359
Unicor '500'	2,126	Cornhill Capital	1,181

The debt collector's new clientele

BORROWING

TIMOTHY DICKSON

NUNS, CLERGYMEN, Arab princes, company directors—everyone apparently is getting into debt.

So what, you might ask. The nagging overdraft has long been the millstone around the necks of many self-respecting bank customers.

The news, however, that Britain's largest credit vetting agency is now expanding its reference service to take in new sources of information underlines the way consumer debt—and its attendant problems—is on the increase.

Credit Data has now revealed that it is keeping tabs on people who bounce cheques or default on credit card, hire purchase and television rental debts.

This will provide a bigger and better service for Credit Data's customers—from credit companies like Access and Barclaycard down to the High Street retailer where you hold a household account. It means that more information about your current debts will now be available to these companies if you apply to them for credit.

Credit Data, however, points out that its most important previous source of information—the county court register where judgments against debtors are recorded — is becoming less helpful. Fewer companies are now bothering to use the courts and last year the Lord Chancellor actually threatened to abolish the register.

Credit Data is also a debt collector and its findings show that more and more of us are getting worse and worse at balancing our books.

'Now Credit Data is keeping tabs on people who bounce cheques or default on credit card and hire purchase debts'

Too much should not be read into the distribution of Credit Data's 1,000-strong team of collectors but it does appear to challenge any notions that debt is predominantly working class.

Birmingham alone has 100 collectors while middle class areas such as Cheltenham and Tunbridge Wells have six each. Collectors in Devon and Cornwall are chasing up over £2,000 a week, as much as in Liverpool.

Credit Data believes the proliferation of debt stems from the relaxation of credit controls and has been encouraged by the growth of credit cards.

The Sex Discrimination Act also released what cynics may see as a flood of credit-happy housewives. Previously women were generally not allowed to incur debt in their own names.

But what happens if, perhaps in an attempt to keep up your living standards in the face of inflation, your debts get out of hand? Credit Data's ultimate weapon is to sue for bankruptcy but it starts with gentle persuasion.

Knocking politely on the door, Credit Data's representative will negotiate a regular payment. Most people apparently settle amicably, although, like political canvassers, Credit Data's man or woman is trained not to push the unwilling debtor too far.

Of those who have run further than permitted into the red, the London council tenant with three race-horses to her name perhaps displayed the most cheek. Several nuns were once trusting enough to guarantee someone else's debt and alas ended up in court, while an Arab prince allegedly owed money on a suit. Clergymen and directors of large companies have also figured on Credit Data's beat.

There is also the saga of the stuntman who apparently didn't pay his bills. He worked in a travelling circus which clearly made life difficult for creditors trying to catch up with him. History does not relate how but apparently they got their man.

Last year's Consumer Credit Act obliged credit vetting agencies to open their dossiers to the people whose names are on file.

So if you think you may unjustly be on their black list, you can always gain access to their records.

Credit Data has emerged well from the exercise. Although it handled nearly 9m inquiries in the first 12 months, only 51 errors were discovered, of which 27 were due to wrong information from the Lord Chancellor's department.

Unit Trust & Insurance Offers

Britannia Financial Services Limited p 4
Gartmore Fund Managers Limited p 7
James Finlay Unit Trust Managers Limited p 19
M & G Group Limited p 7
Schlesinger Trust Managers Limited p. 15
Vanbrugh Life Assurance Limited p 5

Trees on highway verge

Two ailing oak-trees are growing in the grass verge of the road outside my property which they overhang. The Council refuses to take any action about them and indicate that it is up to me if I want anything done. What, please, is the legal position?

If the grass verge is part of the highway the trees are the responsibility of the highway authority: *Stillwele v. New Windsor Corporation* (1932) 2 Ch 155. You cannot however enforce by action the duty to lop trees growing in the highway. You can therefore only seek by the pressure of complaint and by approaches to local councillors to make the authority carry out this duty (as opposed to the duty to abate an obstruction to the highway).

Small amounts of tax

With reference to your reply under Small amounts of tax (November 4) our local operatic society, of which I am treasurer, used to own an old mill which we sold and invested the proceeds in Government stock from which tax was not deducted at the source. Do you think we shall have to pay corporation tax on this?

We take it that the society's constitution does *not* make it an educational charity (not even an unregistered charity). That being so, the society will indeed have to account for corporation tax on the gilt-edged interest (at 42 per cent), as well as on the chargeable gain arising on the disposal of the mill (at 52 per cent on 15/26ths, i.e. effectively at 30 per cent).

As to whether the society's productions (if any) constitute trading activities—and, if so, what capital allowances may be available—you may like to have a chat with the auditors.

Husband and wife's property

I should be grateful if you would clear up a doubt which exists in my mind following your answer to a query Solicitor's Fees for an Estate (August 19). On April 4 last you wrote "Property which is held jointly, both in law and in equity, does not form part of the estate" (of the deceased). I have recently had the ownership of my house, and as a matter of fact my building society accounts as well, made into joint ownership with my wife, so as to take them out of my estate. Following your reply on August 19 am I to understand that half the property and money is still in my estate despite what you have said earlier on death?

It is correct that property owned jointly does not fall into the estate but "accrues" to the survivor. However, for fiscal purposes the accruing share may where necessary be seen as forming part of the property which passes on the death. Similarly where fees are calculated on the amount of the estate the value of the property owned by the deceased immediately before death may be taken. There is no question in law of property which accrues by survivorship being in the estate of the deceased.

Maintenance after age 18

Following divorce some years ago I was ordered to pay maintenance to my ex-wife on behalf of my daughters. One of these will shortly be 18, but is expected to go to college. Do you think I am entitled to stop the payment of maintenance for her?

As *provision* can be made for maintenance of a child in full time education after the age of 18, you would have to examine the *terms* of the order itself. If in doubt you should make an application to the court.

Enfranchisement of a field

Shortly before my wife bought our house in 1968, the previous owner had served a notice to buy the freehold, this notice then being withdrawn. At that time the landlord wished to exclude a field indicated on the lease, which has in fact been used by us for recreation and at times let to the neighbouring farmer for grazing. My wife now wishes to buy the freehold. Do you think the landlord is entitled to take out this field from the transaction?

We think that your wife is entitled to serve a fresh notice to enfranchise the property; however the definition of "house and premises" in

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Section 2 of the Leasehold Reform Act 1967 is such that it remains open to the landlord to contend that the field does not have to be included in the conveyance. There seems to be no authority that would help you in determining whether such a contention would succeed, but we think it quite likely that the Court would hold in favour of excluding the field.

Claim on a plot of land

I own a plot of land as to which the adjoining farmer is claiming squatter's rights. He claims that he used it about 20 years ago when a shed was erected by the tenant farmer and that this shed has been used by this tenant for about 15 years. No doubt the shed and the access thereto could be rightly claimed but does this give him a right to the whole plot?

The adjoining owner could claim in right of his tenant to the land *actually occupied* by the shed and, possibly, the small adjacent area; but he cannot claim the rest of your land unless he or his tenant has used the same for a continuous period of 12 years during which he has excluded you from using it.

Tax on income from U.S.

I am a British subject but worked in the U.S. from 1947 to 1953 and am being paid U.S. Social Security Benefit. The monthly cheques are paid into my account with a Boston Savings Bank. I am going to America for a holiday and will use some of the money in my Boston account to cover my stay. I wish to transfer the balance to this country and arrange to have my U.S. monthly cheques sent direct to my bank in this country. Could you please say if our Tax Authorities will require me to pay tax on the amount now standing at my credit in Boston or only on the amount I actually transfer to this country after my holiday?

Have you checked the UK exchange control restrictions on your U.S. bank account? If not, you should consult your UK bank, lest you unwittingly break the rules.

We take it that you are domiciled in England and Wales (or in Scotland or in Northern Ireland), as well as being ordinarily resident in the UK for tax purposes. That being so, 90 per cent of your U.S. social security pension will be assessable, whether remitted here or not, subject to the operation of the preceding-year basis from the third year (or from the fourth year, if you prefer). You will find general guidance in two free booklets which should be obtainable from your tax inspector: IR25 (1977) and IRI (with a supplement). In booklet IRI you should check whether by chance concession A26 may help you.

Finally, perhaps we should remind you that: (i) interest on your U.S. savings bank account is assessable in the UK in full, whether remitted here or not, subject to the operation of the preceding-year basis from the third (or fourth) year; and that (ii) withdrawals from the account may, at least in some cases, produce capital gains tax liabilities (or allowable losses) under paragraph 11A of Schedule 7 to the Finance Act, 1965, as inserted by the Finance Act, 1969.

Liability or a loan

A club wishes to order a new pavilion and has raised about a quarter of the cost. The rest will need to be covered by a loan. In these circumstances, is there a personal liability on (a) the committee members (b) all the members, until such time as the loan is repaid?

We cannot advise you fully without knowing the full terms of the constitution of the club. If, as is likely, the club has trustees who own the legal estate in its property it would be they who would enter into the contract for work to be done on the property and they alone would incur personal liability, although they would doubtless seek an indemnity from all the members (if not already given).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Discs and certificates

INSURANCE

JOHN PHILIP

SOME OF YOU mid-week may have read the letter from Mr. E. E. Sutherland. He suggested that as the Road Fund Tax is to be phased out and that ultimately the motorist's obligation to display a licence disc will vanish, "we should adopt a registration disc with the car's particulars printed across a central band above which a stamp confirming MOT testing with another stamp underneath the band confirming insurance cover could be affixed."

Mr. Sutherland may have a point on the MOT Certificate, but I am only concerned here with insurance discs; the idea is not new and there have from time to time been advocates of the introduction of discs; but their advocacy falls down when one considers the detailed regulations applicable to the issue and use of the compulsory certificate of motor insurance which each motorist has to have.

Without very substantial and, I think, undesirable changes in the law, it is just not possible to say as did Mr. Sutherland "these stamps issued respectively by the testing garage and insurance company and each carrying the expiry date and car's registration number would effectively present on the windscreen all information required by our Road Traffic Laws . . . "

Have a look at your Motor Insurance Certificate. You will see that it is a complex document dealing with six features of the insurance—the vehicle, the policyholder, the start and finishing dates of cover, the people who may drive, and the limitations as to use. My particular certificate is like most modern certificates, a computer produced document about eight inches square and containing in this small area what inevitably has to be a lot of relatively small print.

The form of certificate is prescribed by statutory regulations and the information contained in respect of the six features I have specified is reckoned to be the absolute minimum required by the police for adequate supervision and enforcement of our compulsory insurance laws.

Indeed often the information in the certificate is not enough: every day of the week somewhere a policeman has to ask an individual insurer for more details of the particular policy before he can decide whether or not the use of the vehicle in question was or was not insured at the particular time.

Any reduction in the amount of information at present prescribed by law as essential in the certificate would make the task of the police very much more difficult, so much so that the average policeman might throw up his hands in horror and just stop bothering about the enforcement of motor insurance law. If so, the number of uninsured motorists would quickly increase, and honest, properly insured citizens would have to pay much higher premiums, to pay via the Motor Insurers Bureau for claims made against uninsured motorists.

Quite clearly the very shape and size of the modern certificate precludes its display on the vehicle windscreen, and no one, neither police nor insurers, would recommend such display. Both in fact are content to rely on the long established law that the motorist must produce the certificate when asked by the police and if he has not got it with him then within five days at the nearest police station.

There are two main kinds of motor insurance certificate—those issued on an individual vehicle basis, and those that are called in insurance terminology "blanket certificates." The majority of motor insurers now issue blanket certificates, even for the private motorist who has only one car.

The difference between these certificates stems from the information given in respect of the first statutory item on the certificate. Here must be either specified the "registratnon mark" of the insured vehicle or supplied the "description of vehicles" that are covered.

Have another look at your certificate. If it contains the "registration mark" of your car, then your insurance is tied to that car so that if you sell it and even buy another of precisely the same make, size, style ond so on, you have no insurance and cannot use your new car until your insurers have delivered to you a new certificate.

If you have a blanket certificate which covers "any motor car owned by the policyholder or hired to him under an HP agreement or hiring contract of not less than twelve months duration"—or uses some similar phraseology—then, subject to your policy conditions dealing with notification to insurers of a change of car, you may be able to sell and replace and begin to use your new car straight away without infringing the compulsory insurance laws.

The certificate with the phrase "any motor car" and with *further* qualifying words of the kind I have mentioned does not automatically have to be replaced and is valid through changes of vehicle until the insurance year run out, and by its use insurers achieve some administrative saving which is reflected in the premiums many of us have to pay. Undoubtedly if major insurers reverted to the issue of individual vehicle certificates they would have to allow for an increase in expense cost, however small, and since there is insufficient profit margin (or no margin at all) in motor business, would have to pass this cost on in increased premium.

To come back to Mr. Sutherland's thoughts; the law is against him and its substantial revision to bring in insurance discs would be adverse to proper law enforcement; and so is market practice, for the majority of insurers use blanket certificates not only for commercial fleets but for the majority of private cars.

TAXATION

DAVID WAINMAN

CAPITAL GAINS TAX came into effect from April 6 1965. Harold Wilson had come to power in the previous October, committed among other things to introducing a corporation tax. Companies had until then been charged only a relatively low rate of profits tax, the income tax which they paid being so structured as to be paid on their shareholders' behalf rather than their own. But bringing in a tax on capital gains was another important plank in the incoming Labour Government's programme.

The 1965 Finance Bill appeared only five months after this change of Government. It contained capital gains tax provisions so detailed, and covering so many aspects of this supposedly new field, that it was popularly assumed that the Revenue had had the tax drafted and ready for years: that it was merely dusted off (and shoved bodily into the Finance Bill.

To those who merely observed this new capital gains tax from a disinterested standpoint it may have seemed surprising that it needed such heavy amendment in each of the succeeding four years' Finance Bills. But accountants and lawyers who were daily enmeshed in its provisions fully appreciatel the need for most of not all, of these changes.

The amendments have, however, left us with a tax whose complexities are such a distraction to the eye that it is hard to discern the underlying pattern. The rules for determining the "cost" of shareholdings at April 6, 1965 are a prime example.

Different rules apply to the shares of listed companies, as opposed to those applying to unquoted shares. Let us deal first with quoted shares.

From April 6, 1965 onwards, quoted shares are generally to be dealt with under the procedure referred to as the "pool." All shares of the same type in the same company are pooled—the number in the pool grows with each acquisition, and the cost of the total pool is increased by the price of that acquisition. When a part of the total holding is sold or given away, the cost of that part is found by averaging: and accordingly the balance of shares still held in the pool are carried forward at that same average cost. But so far as quoted shares held at April 6, 1965 are concerned the pool is now generally displaced by the rule that parcels acquired at different dates are to be treated as separate holdings. Shares disposed of are identified with those acquired earliest—the "first in first out" basis.

In the computation for each of these disposals it is necessary to have regard not only to the cost determined as above, but also to the value on April 6, 1965. If the disposal proceeds show a gain over both these figures, then the smaller gain is taxable. If the proceeds are less than either, only the smaller loss is allowable. And if proceeds fall between the two, then there is no taxable gain or allowable loss.

But the foregoing general rule is overridden if the taxpayer makes the election permitted by the 168 Finance Act. Fixed interest holdings and other holdings can be the subject of an all embracing election, or it can apply to all shares of one type but not the other. What the taxpayer elects is to ignore for all purposes the original costs of all relevant shares held on April 6, 1965. Disposals are therefore measured only against the shares' values on that date. Taxpayers whose disposal proceeds were less than April 6 value could, by electing, establish their loss as an allowable one. They could otherwise only have substantiated such a loss if their records were sufficient to prove that the fall in value between original cost and disposal proceeds was larger.

The 1963 election had to be made when the first disposal was made of shares held at April 6, 1965: a time limit was fixed of two years from the end of the assessment year in which that first disposal took place. However, if such an election has been made (and it still can be made if a taxpayer's first disposal after March 19, 1968 was in the fiscal year 1976-77), then the identification rules are changed.

Shares held at April 6, 1965 covered by the election are to be pooled, at their value on that date, with those subsequently acquired. The first in first out rule therefore does not apply

For unquoted securities the rules are different.

The basic premise is that unquoted shares grow continuously and evenly in value, or decline in value similarly. Therefore if shares acquired before April 6, 1965, are sold after that date, one can calculate on a "time apportionment" basis how much of the aggregate profit or loss is to be treated, and therefore taxed, as having occurred since that date. The purity of the logic is marred by an arbitrary rule that time started only on April 6, 1945. One cannot apportion by reference to a period of more than 20 years before the tax commenced.

Time apportionment can be displaced by a taxpayer choosing to accept a valuation at April 6, 1965. The choice, once made, cannot be reversed: and it is frequently described as a gamble, because the Revenue will not discuss or agree an April 6 value until and unless the taxpayer has committed himself to using it instead of time apportionment.

There are two important restrictions on the availability of time apportionment—each of them related to shareholdings in companies which have had a capital reconstruction before April 6, 1965. If the holding on that date resulted from a reconstruction entitling the holder to more than one class of shares, preference shares issued by way of rights to ordinary shareholders for instance, then no time apportionment is permitted. The holder can only use an April 6 valuation.

Reconstructions do not necessarily result in different classes of shares being held. A capital distribution or a partial repayment of capital would leave the holder with the same shares or less, for instance. In this case the shareholder can make use of time apportionment, but the time starts to run only from the reconstruction date.

YOUR SAVINGS AND INVESTMENTS 3

Experts have debated for years whether it is better to invest in shares through a unit trust or through a bond. **Eamonn Fingleton** reports that latest tax laws have boosted the appeal of unit trusts.

Cutting the taxman's take

IF YOU put £25,000 in growth stocks over 10 years you will probably end up as much as £10,000 better off investing through a unit trust than through an investment bond.

This is the conclusion of the Chieftain unit trust group which has called on its computer for help in the hotly argued controversy over the merits of the two investment methods.

The bonds v units debate has raged in the savings industry for *more than a decade.* But until recently the divergences in performance you could expect from the respective mounts in the equity steeplechase in most types of going have usually been so small as to be of only academic interest. But now, as Chieftain's figures suggest, investors should take a close look *at the different tax treatment of* the two methods before making a choice.

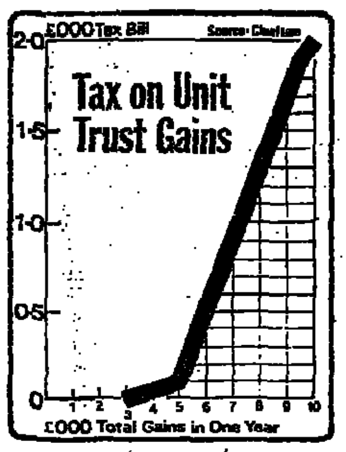
Tax changes this year have enhanced the attractions of unit trust for many investors, particularly those seeking capital growth. Chieftain's sums were based on the tax position of a typical higher-management executive—*a man earning £12,000* a year before tax with £500 investment income and tax allowances of £2,000. The underlying equity portfolio was assumed to grow by 10 per cent a year and the dividend yield of 5 per cent was assumed to be ploughed back fully in each case.

Chieftain found that if the *£25,000 were invested via a unit* trust the net cash-in value after 10 years would be £65,600 after paying an £8,000 tax bill. If the investor went through a typical single premium bond—the sort that is now being heavily promoted—the net proceeds would be only £55,200 after he met a swingeing £17,000 tax bill.

A single premium bond is an insurance contract which usually has no fixed term; you *have the right to* wind it up at any time and if you have not wound it up earlier it will automatically cease when you die. A tiny deduction is made to pay for life insurance and the rest of your money goes into investments. The insurance element, a minimal amount of cover on your life, is included mainly so *that bonds can escape strict laws* on the marketing of unit trusts and other pure investment vehicles. Bonds can, for instance, be sold door-to-door and they often are; this is illegal for straight unit trusts.

A bond in its basic form does not pay you an income—but dividends and other receipts *from the underlying* investments roll up in the bond fund adding to the capital value of your holding. You *have no tax* liability until you cash in. In the meantime the bond's investment fund is subjected to tax at insurance company rates, which puts it on a very different footing from a unit trust fund.

Unit trust managers have always had the advantage over bond managers that their rate of capital gains tax is lower: until last April the rate was 17 per cent. Now the unit trust capital gains tax rate is being reduced to only 10 per cent from next April. When a unit *trust investor cashes in his* holding, he may have to pay the balance of the full capital gains tax rate, which remains unchanged at 30 per cent. But as a result of this year's tax changes, there will usually be no extra tax to pay on even



quite large unit trust gains realised each year.

A bond fund has to pay the full rate of CGT on gains from cashing in investments—but because of this bond managers make a point of being sparing about the amount of gains they cash in and so long as the fund is still expanding, there is for instance no need for the managers to cash in any investments when an investor wants to take his money out.

Unit trusts usually receive *dividends on their investments* after tax of 33 per cent has been deducted and the net income is passed straight on to unit holders without a further deduction. A unit holder paying more than standard rate will, however, have to pay extra tax to meet the difference between his rate and standard *rate. British-based* unit trusts have to pay corporation tax of 52 per cent on their dividend income *but in practice they do* not hold enough gilts and other interest-paying assets for this to be a significant drawback.

A bond fund is usually treated similarly for tax on dividend income to a unit trust: dividends are received after deduction of 33 per cent tax and no further tax is payable within the fund. Bond funds pay only 37½ per cent on interest receipts—hence they have an advantage over British-based unit trusts in investing in gilts.

In the investors' hands, the full amount of the rise in the value of a bond that is being cashed in is regarded as income —*whether the gain is actually* due to capital profits or dividends and interest income rolling up. You are credited with having paid 33 per cent tax already on the bond's gain. You will have to pay further tax if you are already a higher-rate taxpayer or if through the "top-slicing" procedure the gain adds *so much to your current year's* income that you are propelled into higher rates of tax.

Under the top-slicing procedure, the gain is divided by the number of years you held the investment to calculate the average annual gain over the period. This is added to your current year's income from other sources and if the total puts you into higher tax rates you will face a proportionate tax bill on the gain. The extra tax due on the top slice will be calculated as if it were current year income and then the bill will be multiplied by the number of years concerned to arrive at your total liability.

To mitigate tax within the bond fund, many bonds on offer these days are hybrids which *invest in equities through unit* trusts. This cuts the cost of switching between different investment sectors—but, as the table above shows, there is still

HOW THE TAXMAN TAKES HIS BITE

The tax you pay on an equity investment gain

	Direct holding £	Unit trust £	Bond investing in unit trust: 33% taxpayer £	Bond investing in unit trust: 48% taxpayer £
Case 1:				
Gross gain of £1,000				
Tax in unit trust	—	100	100	100
Tax in life fund	—	—	180	180
Capital gains tax	—	—	—	—
Income tax	—	—	—	108
Total *tax suffered*	*Nil*	*£100*	*£280*	*£388*
Case 2:				
Gross gain of £5,000				
Tax in unit trust	—	500	500	500
Tax in life fund	—	—	900	900
Capital gains tax	600	75	—	—
Income tax	—	—	—	540
Total tax suffered	£600	£575	£1,400	£1,940

Source: Save and Prosper

a tax problem particularly if you are a high rate taxpayer and the bond's growth was mainly due to capital gains rather than income rolling up. The table, supplied by Save and Prosper, is based on the tax position from next April. Chieftain's sums were based on the assumption that investments were held directly by the bond fund—and that they stayed in it on average only 2½ years before being sold. Bond enthusiasts would probably point out that bond *funds usually hold on to their investments* for longer than this —and that therefore Chieftain's figures overstate bonds' admitted problems when underlying investments are sold. Chieftain, unlike many other unit trust groups, has incidentally no bond facilities as yet; Save and Prosper, which is mainly in unit trusts but also has a major bond operation, tends to agree with Chieftain's general argument that the latest tax changes are a major boost for unit holders.

From the point of view of a unit holder paying basic rate tax, probably the biggest boon of the latest tax changes is that he can now cash in capital gains of up to £1,000 each year without a personal tax bill. And *on the next £4,000 of gains* each year, the tax rate is only 15 per cent. In effect a unit holder can, therefore, from next April cash in a gain of £3,000 and pay no personal tax on it: this is because though he has a *notional liability to tax of £300* (15 per cent of the taxable £2,000 element in his gain) this has already been paid in the fund. For the non-taxpayer, direct holdings of units have always been the better investment because he can reclaim income tax paid within the fund whereas he cannot do so with *the return from a bond.* For a high-rate taxpayer, units will usually be the better bet except where he expects to cash in at a date in the future when his top rate of income tax will be lower than it is now—he may, for instance, gear the investment to be cashed in at retirement.

There are more complicated ways of mitigating tax on the proceeds from bonds—but you need good advice because they may not be suitable in your case. One application where bonds are still very competitive is for taxpayers investing in gilt and other high-income funds. To provide such investors with an income from this type of bond, most management groups allow you to make partial withdrawals from the bond. You can usually withdraw up to 5 per cent of the bond's value each year without any immediate tax liability—but you may well face tax later when the bond is finally extinguished.

Counting the days abroad

EXPATRIATES
NIALL SWEENEY

WHATEVER YOUR reasons for going abroad—whether for work or for the sun—the financial effect is the same: you become an expatriate and so are in line for generous treatment from the Inland Revenue.

How generous the Revenue will be depends mainly on the length of the stay abroad. A period of absence of at least a tax year will usually convince *the authorities that the individual* is neither "resident nor ordinarily resident" for tax purposes. He will then escape UK tax on overseas income (both earned and unearned)—but he will still have to pay UK tax on any remaining income from UK sources.

Non-resident expatriates should, therefore, minimise most types of UK income. There are, however, many "tax-exempt" gilts which pay income gross and this income is not treated for these purposes as UK income. And in the past few years several offshore unit trusts, based in Jersey and elsewhere, have been launched to help expatriates invest in gilts.

If the income tax exemptions were not enough, there is no *liability to capital gains tax* on gains in any tax year in which the expatriate maintains non-*resident status*.

By concession, you escape CGT on all gains realised after your departure even if they occur in the tax year you lose UK residency. So if your departure is imminent, make sure you put off selling assets on which you are showing a profit until after you leave. (*Assets showing a loss should* be sold before you leave to help minimise CGT bills on other disposals you cannot postpone.)

Most returning non-residents, on the other hand, face CGT on any disposals of both UK and overseas assets occurring in the tax year of return. (People who have been non-resident for at least 36 months, however, escape.)

So it usually pays to realise gains before the tax year when you return. Even if you want to hold on to the asset it makes sense to put through a "bed-*and-breakfast deal," to establish* a higher acquisition price. Obviously, assets showing a loss should only be realised after return.

Generally, anybody who is away for a complete tax year will be considered "non-resident" and "not ordinarily resident," even if a home in the UK *is* maintained. But despite the relative ease of becoming non-resident many *people who spend a considerable* time abroad are UK residents for tax purposes.

Nevertheless, even for the expatriate who remains a UK resident, there are useful tax concessions. As long as he is abroad for a "qualifying *period" of 365 days, overseas* pay will be free of UK tax. The period need not be a tax *year (April 6-April 5) but. in* its simplest form, will be made up of consecutive days abroad. A break in a period of absence, however, does not necessarily stop the whole period from qualifying. If a visit to the UK is for 62 days or less and the length of the stay does not exceed one-sixth of the total *number of days in the period*, the chain will not be broken.

A few days too many can *make the difference between* paying no tax and paying full tax on up to 75 per cent of overseas pay. Even if the qualifying period abroad does not add up to 365 days it is still possible to obtain a measure of relief by qualifying for the 25 per cent deduction: that is, tax will be levied on only 75 per cent of overseas earnings. To get this concession the individual must normally work abroad for at least 30 "qualifying days" in any tax year.

TAX AND THE WORKING EXPATRIATE

	Non-resident and not ordinarily resident in the UK	UK resident with 365 days qualifying period abroad	UK resident with more than 30 but less than 365 qualifying days abroad	UK resident who works abroad for non-UK employer
	UK tax?	UK tax?	UK tax?	UK tax?
Overseas pay	No	No	on 75% only	on 75% only
Overseas *investment income* ...	No	Yes	Yes	Yes
UK income..	Yes (1)	Yes (1)	Yes (1)	Yes (1)
Capital gains	No (2)	Yes	Yes	Yes

NOTES: (1) Except exempt gilts and bank deposits
(2) Except for disposals prior to return but in the same tax year unless individual abroad for at least 36 months.

The one exception is where he is working abroad for a non-UK employer.

One snag to watch out for is the danger of an enforced return home made necessary because of, for example, poor health, or unstable political climate. Many expatriates find that, in the early months of their tour, they incur heavy expenses in seeking suitable accommodation and transport. If they return shortly after their departure for whatever reason, not only will they have to settle their debts quickly, but, on their return, a tax bill awaits them.

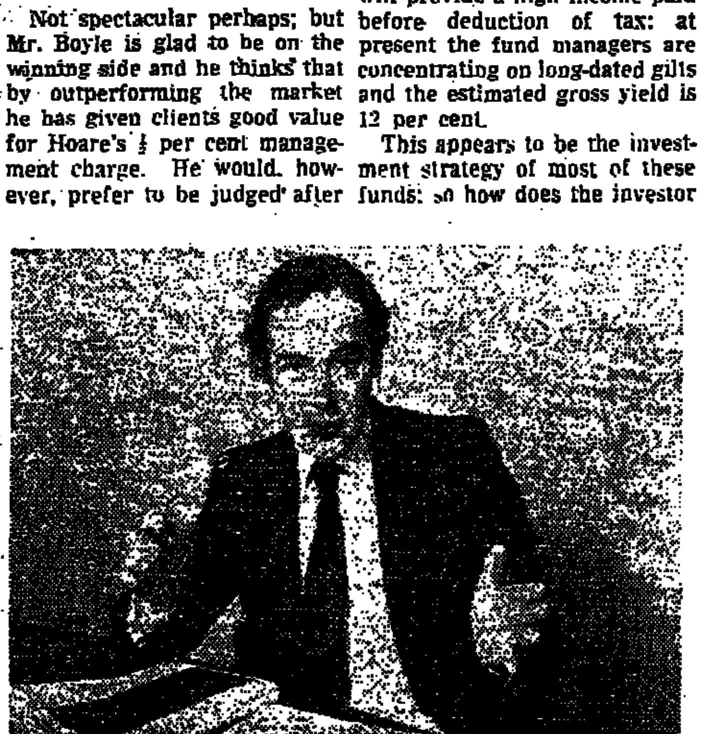
Leading the thundering herd

THE HOARE GOVETT stockbroking firm celebrated the first birthday of its new unit trust advisory service this week by giving the Press a glimpse at how its clients' portfolios have been performing.

Robin Boyle who masterminds the service, reckons that the first investors who joined up a year ago are now showing a profit of about 13 per cent if they chose to go for growth rather than income. That compares with a rise of about 6 per cent in British shares generally as measured by the Datastream computer.

Not spectacular perhaps; but Mr. Boyle is glad to be on the winning side and he thinks that by outperforming the market he has given clients good value for Hoare's ½ per cent management charge. He would, however, prefer to be judged after the service has been going five years.

In the meantime, rival stockbroking firms have been warning that Hoare may upset major unit trust groups when it makes block selling orders for unit trust clients. Unit trust groups are not well-geared to cope with sudden large bouts of selling. But Mr. Boyle *says relations* with unit trust groups are excellent and he makes a point of phasing withdrawals over several days when he leads his followers out of a trust.


Robin Boyle: Satisfied with first year

Tidal wave of offshore funds

INVESTORS ARE now in danger of being overwhelmed by off-shore gilt funds. Lloyds Bank is the latest institution to get on the bandwagon with the launch this week of its Lloydstrust Gilt Fund.

This is a welcome addition to the list because its initial charges are particularly low. It *will provide a high income paid* before deduction of tax: at present the fund managers are concentrating on long-dated gilts and the estimated gross yield is 12 per cent.

This appears to be the investment strategy of most of these funds: so how does the investor make his choice? The yield spread between the funds is narrow, ranging from the 12.6 per cent offered by Schlesinger to 11.4 per cent from Tyndall, with around 12 per cent offered by several funds. The investor therefore needs to pay particular attention to the charges, and here he will find considerable differences.

Lloydstrust charges an initial fee of only 1½ per cent, among the lowest rates of any trust in the field; and this is progressively reduced for large investments. But the annual fee at ¾ per cent *is among the highest.* But there are no other extra charges. Tyndall, Schlesinger, the TSBs and King and Shaxson are among other groups with particularly low initial charges. Save and Prosper, Gartmore and Arbuthnot by contrast have high initial charges but low annual charges.

As a guide for investors, if they intend to hold the fund for a considerable period, then pick the lowest annual fee. But if a gilt fund is only a temporary haven until something better turns up, then pick the lowest initial charge.

Trustees of charities and other funds should note that it is understood, at least by Lloyds Bank, that these off-shore funds do not qualify under the Trustee Investments Act 1961.

Better rates from income bonds

TWO MAJOR life companies have reacted to the higher pattern of returns on short-dated fixed interest investments by lifting the return on their guaranteed income bond contracts.

Merchant Investors is now offering 9½ per cent net of basic rate tax over four years for income payable annually at the end of the year (9 per cent if payable half-yearly) while Cornhill, of test cricket fame, is offering 9½ per cent over five years payable at the end of each year.

PROPERTY

Relying on foreign aid

BY JOE RENNISON

ALTHOUGH PRICES have gone up considerably this year the way they have changed from area to area is considerable. Foreign buyers most definitely helped keep the London property market busy during late Spring and Summer this year. However, Chestertons consider that the foreign buyer of 1978 has been more discerning than in recent years. Although sales over £¾m have not been quite so frequent, there is clear evidence of a strong selective demand for good properties—both in the medium and upper price ranges.

	Accommodation Beds-Bath-Rec.			1977	1978
Modern Flats					
Kensington Heights W8	2	2	1	38,000	65,000+ 71%
Durrells House W8	3	2	1	47,500	67,000+ 41%
Broadwalk House SW7	4	2	2	130,000	200,000+ 53%
Older Flats					
Florence Court W9	2	1	1	21,000	28,500+ 35%
Wynnstay Gardens W8	4	2	2	45,000	60,000+33⅓%
Houses					
Hill Gate Place W8				46,500	75,000+ 61%
Woodsford Square W8				69,000	145,000+110%
Oxford Square W2				110,000	155,000+ 41%
Blomfield Road W9				135,000	175,000+ 39%

During the first 10 months of this year, foreign purchasers accounted for about 52 per cent of the aggregate monetary value of all residential sales handled by Chestertons although the actual percentage of transactions was only a third of the total. Buyers from the Middle East and Iran represented 32 per cent of the value, Europeans 12 per cent, the U.S. 4 per cent and others including Australia, Japan and Nigeria accounted for the remaining 4 per cent.

These facts emphasise how property values in London are still below those in most other European capitals, thus enabling foreign companies and individuals to afford, with considerable ease, some of our best property. American buyers, probably due to the weakness of the dollar, have been less active this year and have concentrated on renting.

Buying patterns indicate that Europeans favour London's period property and this year Chestertons have seen greater numbers of Greeks and Italians; although Middle Eastern buyers almost always prefer modern property, especially flats. Belgravia, Kensington, Mayfair and W2 are still the most favoured areas for foreign buyers, however, an increasing number are buying in North London.

Notwithstanding all this, British buyers have been increasingly active throughout the whole property price spectrum and it is significant that many more UK nationals have bought property at over £100,000 this year. In fact, more than 36 per cent of our buyers in this price range were British, whereas the year before they were only a handful. British buyers have also taken the opportunity of "trading-up" on their property—moving to larger homes or into more desirable districts.

During 1978, London property has seen a wide range of price increases up to 100 per cent and it is difficult, even with figures, to give an exact overall picture. Some of the highest price increases were seen at the beginning of the year when property was still scarce and the strong demand from buyers led to a mad scramble.

Although there was a significant increase in the amount of property available—about 100 per cent from February to the end of August—we estimate that about 20 per cent less property has been offered for sale than in the preceding year. A continuing demand throughout the year from both home and overseas buyers has kept pressure on prices and Chestertons believe that the overall price increases have generally been for good property—refurbished houses and modern purpose *built flats in excellent decorative* order.

A guide to the varying price increases are shown in the table.

The continued increase in prices for modern property has made new development, once again, a viable commercial proposition. Chestertons, with Douglas Lyons and Lyons were able to sell the first phase of MEPC's new residential development in Ebury Street within one week of it coming onto the market and they are currently advising on several schemes which, it is hoped, will be started next year for occupation in the early 1980's.

As 1978 closes, it is evident that there is less property available and the market is quietening down. This, coupled with increased bank lending rates and dearer mortgages, may well slow down the rate of increase in prices at the beginning of next year. The General Election which must come within the next 12 months may also have a cautionary effect on intending buyers and sellers.

I HAVE watched this house going up from the foundation stage almost to its finish. If you are looking for a paradise in a foreign part this is it. For someone who wants to be away from the coastal hurly-burly, but not too far away from it—it takes some beating.

In 1973 an English couple asked English designed Edward Gilbert and Spanish designer Jaime Palade to build them a dream house with style, luxury and comfort. They choose two hectares of land in the hills of El Madronal above San Pedro, Costa del Sol.

Calvez-Canero / Donaldsons of Puerto Jose Banus, Marbella and Montpelier International Properties, London, have been asked to sell this superb house, planned to give total privacy and with sensational views, even as far down to the coast and the fashionable Puerto Jose Banus.

Built into the hillside on four levels, the accommodation comprises 5 bedrooms, 5 bathrooms, 4 reception rooms, an orangery, kitchen, laundry room, 2 staff bedrooms, staff sitting room, cellar, courtyards, terraces, a swimming pool and garaging for three cars. The house has central heating.

On the ground floor the house is entered through an arch into a cobbled inner courtyard. Above the arch is a sitting room or playroom. All the bedrooms lead off the courtyard, the master suite taking up the whole of one wing. The master suite is entered through an old Moorish door leading to a pitched hall with an enormous chandelier brought from England. A marble staircase from a palace in Seville leads from here down to the drawing room. From the upper hall antique doors open to the master suite of kitchenette, study, bedroom with bathroom en suite and two dressing rooms. There is a strong Moorish feeling in this part of the house. The study fireplace, for instance, has a Moorish shaped surround, the bathroom tiles are the same shape, a lattice-work Moorish screen hides the lavatory.

The cupboards, made from old wood brought from a theatre in Seville, follows the Moorish theme. This wing is palatial. The bedroom is enormous, french doors open on to a private terrace: there is a huge fireplace and the luxurious bathroom is on pink marble with a central wash-hand basin. All the bathroom fittings are gold plated.

At the bottom of the marble staircase Moorish arches lead into a vast drawing room, the floor has been cleverly made of marble and brick. There are three sets of french doors to the terrace. French doors lead from the dining room to a terrace, and the blue and white kitchen has a bamboo-covered breakfast terrace covered in flowers. At garden level arched doors lead to the orangery — an imaginative folly created by the owner's wife who is an actress.

We are all capitalists at heart

IN THE latest issue of Humberts Commentary partner Jeremy Blanchard has some fair comments to make on the state of the market.

The price plateau referred to in the firm's last report in July has been pierced constantly during past months, especially in the Home Counties with properties priced at over £45,000. Another type which has frequently attracted incredible prices is the cottage or house "in need of repair and modernisation": increases of 20-25 per cent over the original estimate have been commonplace. In general, activity throughout the South of England has been intense for the limited number of houses on offer in all price brackets. So I trust that our readers adopted the guidelines set out in the Commentary of April 1976, although with the benefit of hindsight you may criticise us for the caution expressed with properties over £35,000. They are confident though, that if it suited you and did not hesitate to buy as advised, you have most probably doubled your capital.

They are now using some adroit footwork to avoid the dreaded gazump and Dutch-auction by entering into a private tender when the pace begins to quicken. There is a distinct art in obtaining the best price for clients in a rising market. The agent must be in complete control and impress upon both the prospective purchaser and his own vendor-client that he is competent, trustworthy and with a code of conduct beyond reproach. Each purchaser must be made to understand that he will be given an equal chance with his adversaries to make a best and final bid. At the same time, the agent has, with the agreement of those prospective purchasers, to be seen to be doing his best for his own client—the vendor. "Imagine," the agent may have to explain, "that you, sir, the purchaser are the vendor and I was acting for you, what would you expect me to do?" and so on.

They would not, of course, be writing in this vein in a bad market, but that is where they came in. It still is good. Why? Despite the cries, we understand that more money has been granted by the Building Societies than last year and more than in the boom year of 1972. It can be argued that inflation has to be reckoned with in this calculation but over the past 12 months it cannot be said that there has been a mortgage drought. It is now a much slower process to obtain funds, but when the current lending restrictions are withdrawn, the market will continue upwards. They also believe that the real level of income resulting from pay increases of over 55 per cent in the past four years has not left people quite so badly off as is generally accepted. Perhaps we have all learned to spend money more wisely, at least all those who have capitalist tendencies.

BRIDGE

E. P. C. COTTER

IN A TEAM-OF-FOUR match, in which I was involved recently, two penalty doubles of low-level contracts occurred, but they produced very different results. This was the first hand, dealt by my partner in the West seat, with North-South vulnerable:

N
♠ 9 8 2
♥ 10 8 5 4 3
♦ 5 4
♣ 10 8 6

W
♠ J 6 5 3
♥ K 2
♦ A 7 6 3 2
♣ K 3

E
♠ A 7 4
♥ J 9 7
♦ K Q J 10
♣ A 9 7

S
♠ K Q 10
♥ A Q 6
♦ 9 8
♣ Q J 5 4 2

After West and North had passed, I bid one no trump on the East cards—I was a point short for the bid, but I preferred it to one diamond. South overcalled with two clubs. West made an imaginative double, and all passed.

My partner led the heart King, which was won by South's Ace, and a low club was returned. Taking with his King, West led the two of hearts and was, I imagine, unhappy when he saw South take my nine with the Queen. The trump Queen came next, I won with the Ace, and returned a club to remove dummy's entry.

A spade was led from the table, I ducked, and the King won. *The declarer exited with* a diamond to my ten, I cashed the heart Knave and the diamond King, continuing with the Queen which was ruffed in hand. The declarer was now endplayed and had to surrender two spades, making six tricks for a penalty of 500 points.

South's overcall has little to recommend it. His suit is not robust enough, and his values are defensive rather than offensive. Finally, the unfavourable vulnerability should have convinced him of the wisdom of keeping silent.

Our opponents in the other room bid three no trumps and made an overtrick, so South's team lost only 2 IMPS on the hand, but the loss might so easily have been 9 IMPS.

The second hand was dealt by East with both sides vulnerable:

N
♠ 7 3
♥ Q 8
♦ A J 8 4 2
♣ J 9 6 5

W
♠ A Q 10 4
♥ 10 3
♦ K 7 6
♣ Q 4 3 2

E
♠ 8 5
♥ K 9 6 4
♦ Q 10 9 5
♣ A K 10

S
♠ K J 9 6 2
♥ A J 7 5 2
♦ 3
♣ 8 7

East, playing weak no trump throughout, opened the bidding with one no trump, and I, sitting South, overcalled with two spades. This was promptly doubled by West, and I prepared to take my medicine.

On West's lead of the heart ten, dummy's Queen was played, East covered with the King, and I won with the Ace. I at once cashed the Knave, and led a third heart towards the table. West decided to ruff with his ten of spades. I threw a diamond from dummy, and West then switched to the six of diamonds. Winning with dummy's Ace, I returned a diamond, which I ruffed in hand, and led another heart. This time West did not ruff, but discarded his diamond King, and I ruffed on the table.

When I led a club from dummy, East won with his King, and returned the *eight* of spades. This was a serious mistake—he should have played the five—I played the nine, and West's Queen won.

A club came back to the Ace, and now East changed course by leading the diamond Queen. I ruffed with my King, presenting West with a Morton's Fork dilemma.

If he overruffed, I could ruff a club return, draw the two outstanding trumps, and cash my established heart. If he discarded—and this is almost always the right play in such a position—I could ruff my heart with dummy's seven of spades, something I could not have done if East had preserved his eight.

CHESS

LEONARD BARDEN

IT IS surprising that Manchester has not staged a master chess tournament between 1890 (when Dr Tarrasch won) and the recent Benedictine international. The North-West is Britain's most thriving chess area next to London and the South-East and this is reflected in Lancashire's successes in the inter-county championship and the regular weekend congresses around Manchester.

The bulletin of the Benedictine tournament provides some interesting material on Manchester 1890. The first two prizes, won by Tarrasch and Blackburne, were £80 and £60, substantial indeed in terms of present-day equivalents. Play was at the rate of three rounds in two days.

None of the competitors represented Manchester, although Blackburne began his career in the city, while Tarrasch's winning score of 15½ out of 19 and his three-point lead over the field would have done credit to Fischer or Karpov. Disappointed losers were about then as now: "Mr. Gunsberg complained there was no ventilation in the room, and that there were 74 steps to ascend to it."

If there had been a grandmaster title in 1890 with similar criteria to 1978, the top seven at Manchester 1890 (Tarrasch, Blackburne, Bird, Mackenzie, Gunsberg, Mason and Alapin) would probably have held the title. Manchester 1978 was not so strong, but there were three experienced GMs, Forintos, Balinas and Jansa, as well as the Hungarian IM Janos Flesch who holds the world blindfold record of 52 games at once without sight of the board.

Rather surprisingly, but appropriately for an event sponsored by the makers of a French liqueur, first prize at the Benedictine international went to the young French champion Haik, who reeled off wins in his first eight games, then coasted home with two quick draws.

There followed Britton (England) 7 and Jansa 7, Baker (England), Rind (U.S.) and Forintos 6½, Smith (England) and Flesch 6, with Balinas (5) out of the prize list.

This result was a distinct success for the young English players Britton, aged 21, and Baker, 20, while the local Manchester experts scored several good wins against the masters.

How did the chess in 1978 differ from 1890? Opening fashions have changed, while all-round technique and endgame knowledge has advanced; but in these two games there is a common factor of an unusual approach defeating stereotyped development. And it must be admitted that the grandmaster in 1978 defends little better than the unversed amateur 80 years earlier.

White: E. Schallopp. Black: G. H. D. Gossip. Opening: Vienna (Manchester 1890).

1 P-K4, P-K4; 2 N-QB3, N-KB3; 3 P-B4, P-Q4; 4 BPxP, NxP; 5 N-B3, NxN; 6 NPxN, B-K2; 7 P-Q4, 0-0; 8 B-Q3, B-KN5? (P-KB3 is simple and good); 9 R-QN1, P-QN3? (Black falls unsuspecting into the coming sacrifice: instead Q-B1 keeps some play) 10 0—0, P-QB4; 11 P-KR3, B-R4? 12 BxP ch! (in 1978 a strong club player would anticipate this combination well in advance) KxB; 13 N-N5 ch, BxN; 14 QxB ch, B-R3; 15 BxB, PxB; 16 R-B6, K-N2; 17 QxP ch, K-N1; 18 Q-N5 ch, K-R2; 19 R-R8 mate.

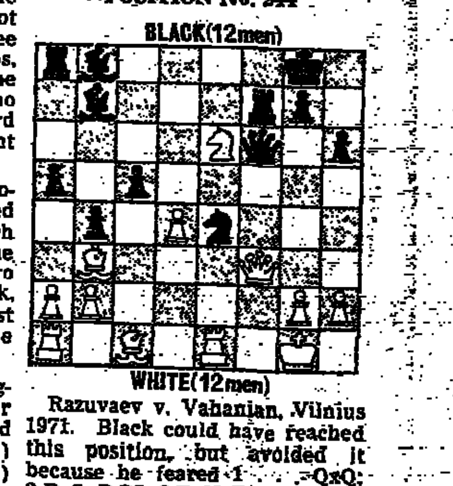
White: G. Forintos (Hungary). Black: A. Haik (France). Opening: Old Indian (Benedictine, Manchester, 1978).

1 P-Q4, N-KB3; 2 P-QB4, P-Q3; 3 N-QB3, P-K4; 4 P-K4?

The queen exchange 4 PxP offers White little, but 4 N-B3 is normal and good), PxP; 5 QxP, N-B3; 6 Q-Q2, P-QR4! 7 KN-K2 (better 7 P-KN3), P-KN3; 8 P-QN3 P-R5! (Intending to break-up White's pawns with a temporary sacrifice, or else exchange flank pawn for central pawn); 9 NxP? NxP; 10 Q-K3, Q-K2; 11 B-N2, N-N5! (White presumably only expected the routine P-B3. Now Black demonstrates that White's king defences are already full of holes); 12 0-0-0, NxBP! (so that if 13 QxN? B-R3 ch; 14 K-N1, B-B4 ch; 15 K-R1, N-B7 ch; 16 K-N1, N-K6 dis ch and NxR wins) 13 QxQ ch, BxQ; 14 BxR, B-N4 ch; 15 K-N2, NxR ch; 16 K-R1, N-KB7; 17 R-N1, P-KB3 (*the game effectively over: Black is a pawn up, White's bishop is trapped, and his disorganised forces can only hope for swindles*); 18 P-QR3, N-B7 ch; 19 K-N2, N-K6; 20 P-N3, K-B2; 21 P-KR4, B-R3; 22 B-N2, N(7)-Q8 ch; 23 K-R2, NxB; 24 R-B1 (24 RxN, B-N5 wins the bishop), B-B4; 25 P-KN4, N(7)-K6; 26 R-B3, NxN; 27 N-N3, N(8)-K6; 28 NxB, NxN; 29 BxP, NxB; 30 Resigns.

POSITION No. 244

BLACK (12 men)

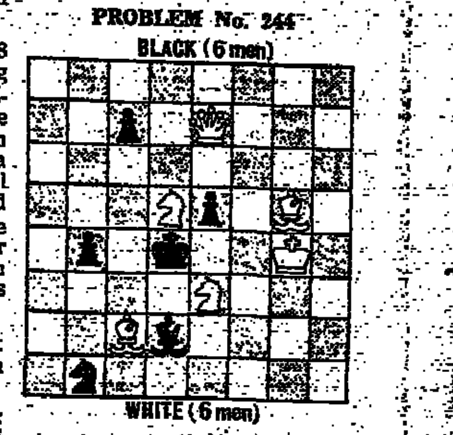


WHITE (12 men)

Razuvaev v. Vahanian, Vilnius 1971. Black could have reached this position, but avoided it because he feared 1 . . . QxQ; 2 PxQ, P-B5; 3 PxN, PxB; 4 N-Q8! when White should win. But could Black improve by either (a) 1 . . . BxP ch; 2 KxB, Q-R5 ch or (b) 1 . . . Q-R5; 2 B-KB4, NQ7?

PROBLEM No. 244

BLACK (6 men)



WHITE (6 men)

White mates in two moves, against any defence (by V. Antoshin, '64,' 1978.

Solutions Page 12

MOTORING/FASHION

The Lancia Beta 2000ES. A two-pedal version arrives early in the New Year.

Lancia's auto power

BY STUART MARSHALL

ITALY HAS fewer automatic cars than any other Western European country. Whether this is due to the preponderance of small engines (brought about by very expensive fuel) or the Italian male's alleged tendency to equate frequent fast gear shifting with his virility, I really cannot say. But the fact is that only two or three per cent of Italians drive two-pedal cars compared with between 10 and 12 per cent here.

Even that does not tell the whole story. An overwhelming proportion of business cars in Britain are automatics. With Jaguars, the figure is as high as 90 per cent. About 65 per cent of all Rover 3500 buyers choose automatic; even with Volvos, it is around 35 per cent.

Surprisingly, perhaps, in view of the business driver's liking for automatic transmission, the Lancia Beta has been selling well in Britain. About 12,000 Lancias—nearly all of them Betas and their coupé and HPE (high performance estate) derivatives will have been bought here this year, in the main by business users. Every one of them has a five-speed manual gearbox without the option. Next year the picture will change. From January, the Beta will at long last be available with automatic transmission.

To begin with, only the poshest Beta 2000ES will go automatic. Next in line are the 1600 and 2000 Beta saloons and, later, the coupé and HPE. Lancia reckon 20 per cent of their sales here will be automatics next year. Extra cost of the option is £394.

Lancia, who maintain their reputation for doing things their own way even though they are wholly owned by Fiat, are making the transmission themselves. It is distantly related to the AP transmission used in our own Mini and Allegro, but has three speeds, not four.

It could be called a sporting transmission. The shifts from low to middle to high and down again are as quick and positive as a very fast manual gear change. When trying the Beta 2000 automatic in Italy a couple of weeks ago, I was never in doubt when a shift had taken place. But I found the transmission's tendency to drop straight into low if I accelerated fairly hard in traffic from around 25 mph made the two-pedal Beta less relaxing than some automatics.

It was quick off the mark. With the accelerator pedal floored, the Beta hit 60 mph from a standstill in 13 seconds and ran up to 80 mph in middle before a lightning shift into high. It kicked down into middle at 70 mph and into low at nearly 40 mph. Breaking my rule of "leave the transmission to get on with it," I often found it convenient to slip manually into middle for overtaking those eight-axle road trains that infest Italy's main roads.

Fuel consumption is reasonable, despite some fairly hectic driving I returned a shade over 26 mpg.

The 1979 Beta automatic's interior has been improved. A new cloth with the look of Cheviot tweed but the soft feel of mohair is used for seat trim and headlining. The boot is fully carpeted. Electronic ignition is now fitted and there have been minor carburation changes to give smoother running. These mechanical and trim changes will spread to the manual Beta 1600 and 2000 saloons later in the year.

A feature of the Beta 2000 automatic I drove in Italy that won't be available here for some time is one of the nicest power assisted steering systems I have come across in a medium price car. This is a pity, because it sharpens up the handling and makes this comfortable and luxuriously furnished four/five seat car easier to park. It will come one day; but first a new home must be found for the power steering pump which gets in the way of a right-hand drive steering column.

From Rome, where I had been driving the Lancia, I flew to Brindisi to try a Fiat that may never come to Britain. It all depends on the effect the proposed car tax changes have on diesel fuel prices here. The Fiat 131 Diesel 2500 Super is a Supermirafiori saloon or estate with a 2½-litre, four-cylinder diesel engine made at the Sofim plant in Foggia that is jointly owned by Fiat, Renault and Alfa-Romeo.

Though basically a light truck engine, the diesel has had noise suppression built into it so successfully that it sounded quieter outside the car when idling than a VW Golf's diesel. It ran up to high speeds—a maximum of 93 mph—almost as willingly.

Dress will be glamorous

Trevor Humphries

THIS WINTER it will hardly be possible to be too glamorous. A couple of winters ago it would have been only too possible. You may remember, that was when the simple, artless rustic look was all the rage and for some £300 Yves St. Laurent could make you, too, look like a Siberian peasant. This winter you can go to town and any woman who likes dressing-up will be in her element.

Black is really *the* colour. There isn't a colour that spells sophistication more instantly, that is more generally flattering or easier to dress up to. If we haven't photographed a dress in black, it's only because it's the hardest colour in the world to photograph.

Shoes for evening should sport high, glamorous heels. Stockings should be sheer, shiny and eye-catching.

Lacy gloves, satin gloves, shiny cummerbunds, masses of diamanté and great whopping pieces of costume jewellery—these are the accessories that you can add at will and that can turn even a fairly dull old black dress into something up-to-the-minute and fun.

Long dresses may still be necessary for certain official functions but for parties I think the shorter length looks infinitely more up-to-date. The era of the cocktail or dinner dress is definitely back.

A slinky, sophisticated dinner dress (above), by David Butler which can, by removal of its matching little jacket, be transformed into a dress suitable for the smartest of nightclubs or discos. The dress is made from finely pleated Triacetate and comes in three colours—black, chocolate and terracotta, although in January/February it will also be available in green. The dress and jacket together cost about £52 and they can be found at Harrods of Knightsbridge and Ricemans of Canterbury now and from mid-December onwards they will be in all Cresta Shops. With the dress the model wears a stunning Aztec style "gold" choker by Ken Lane of Beauchamp Place, SW3 and Burlington Arcade, London W1 (£17.50) and a soft gold leather tie belt (£20) by Christopher Trill of 17 Catherine Street, London WC2. The gold sandals are by Halston and cost £40 from main branches of Rayne.

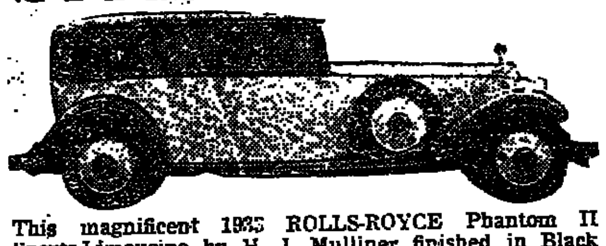
Charlotte Flood is a new name in the fashion world and the first collection is based almost entirely on a mixture of silk and acetate in a lovely, flowing sophisticated look to which silk so lends itself. This particular outfit (right) is in a marvellous oatmeal colour but it is available in slate and lilac as well. Both the skirt and the top feature embroidery on the hems and at the collar. The tunic top is about £87, the skirt about £83. In sizes 8 to 14 the outfit can be found at Harpers House, Oxford Circus, London W1; Roja Sport, 13 St. John's Wood High Street, London NW8 and Amber of Chichester and Pierrette of Jersey.

Worn with the dress are silver snakeskin mules (£29.99) from West End branches of Russell and Bromley. The beaded tie necklace is £7.50 and the diamante earrings are £7.25 from a selection at Harrods costume jewellery department.

Skirts and jackets make marvellously versatile evening-wear and this version (above right) by Shuji Tojo, is particularly stunning. The quilted silk jacket with lace lapels, the quilted silk waistcoat, also trimmed with lace, and the silk skirt are all in a soft burgundy or mushroom. The creamy lace blouse is 35 per cent cotton/65 per cent rayon. The outfit comes in sizes 8 to 14 and the pieces can be bought separately, though obviously are most useful if all four are bought. The skirt is £50, the jacket £86, the waistcoat, £42 and the blouse £58. The complete outfit can be bought from Simpson Jermyn Street (the new, younger department at Simpson of Piccadilly).

All the photographs were taken in the Ritz Casino, underneath the Ritz Hotel, Piccadilly. The model's hair was dressed by Kerry of Molton Brown, South Molton Street, London, and the combs used in her hair are from a selection at Molton Brown, starting at £2.00.

MOTOR CARS



TRAVEL

Western winter

BY PAUL MARTIN

THE THREE counties of Somerset, Devon and Cornwall are, for me, the true West Country. It is an area of dramatic contrasts, from the warm winter temperatures around Torbay to the windswept uplands of the moors and the wild and rocky Atlantic northern coastline.

Once the engulfing tidal wave of summer visitors has receded, this still somewhat remote area settles down for the winter and a very necessary period of recuperation. Winter is the best time to drive along the narrow lanes and to savour the true flavour of the vast expanses of Exmoor, Dartmoor and Bodmin with scudding cloud patterns forming contrasting patches of darkness and fitful sunlight.

The northern coast also appears far more dramatic under a lowering sky with the Atlantic breakers thundering in. It is not difficult to imagine those past teams of wreckers luring unsuspecting ships onto the rocks below.

I headed first for Exeter and the Maritime Museum, well signposted and down on the old Quay, where the collection of British and foreign craft is located on both sides of the River Exe. Several of them are housed in a restored 18th century warehouse on the Quay. The 80p admission charge (children 40p) includes the ferry across to the Canal Basin where you can go aboard the larger ships and explore the cabins and engine rooms. Open daily, except Christmas Day, from 10 a.m. to 5 p.m.

It was after picking up the minor B3357 over Dartmoor to Tavistock that I made a real discovery. Listed as "of industrial interest," Morwellham Quay on the river Tamar near Gunnislake, was the main port of the area during the 18th century.

Today an excellent audio-visual explains the history of the place and a comprehensive leaflet guides you along two marked trails, one of which includes a train ride into the heart of a disused mine with a mini "son et lumière" illustrating the old techniques employed. The second, Woodland and Canal Trail, leads to the old Tavistock Canal. Open daily throughout the year, admission is 90p.

I spent my Cornish night at the Fowey Hotel, Fowey, where the streets, sleepy in winter, rise steeply from the bank of the estuary, is enchanting once the summer visitors have gone. The hotel is in a superb setting facing out across the water to Polruan. Their off-season bargain breaks, based on a two-night minimum stay with half board, are from £26.00 and it makes an excellent base from which to tour the area.

From Fowey I drove north through Bodmin, the county town, and on to Bodmin Moor on the edge of which is the small and very attractive stone-built village of Altarnun, named after St. Nonna to whom the 15th century "Cathedral of the Moors" is dedicated.

My route took me on through the old port of Bideford, with its 16th century, 24 arched bridge, to Barnstaple. Overlooking the River Taw, the Trust House Forte Hotel Imperial dates from Edwardian times but has been tastefully modernised and the large, spacious rooms are warm and comfortable. Here a weekend Bargain Break, with full board, service and VAT, costs £12 per person per night.

Just over the river the North Devon Leisure Centre caters for a wide variety of indoor sports and includes a swimming-pool.

From Barnstaple I took the B3223 across Exmoor and, in the heart of this wild and spectacular countryside, found the delightful village of Winsford where the geese march around like the Mayor and Corporation and where the local pub, the Royal Oak, serves excellent bar snacks.

Nearer the coast, the churchyard at the thatched village of Selworthy affords marvellous views of Dunkery Beacon and the Doone country.

I spent my Somerset night in the historical old town of Taunton, associated with the Monmouth Rebellion and the Bloody Assizes. Now all is peace and quiet at The Castle Hotel, built on the site of an early English fortress, but offering every modern comfort and excellent cuisine to today's traveller.

The Castle has an impressive specialist winter programme of wine, music, theatre and heritage weekends. Its normal winter West Country weekends, in a room with private facilities and half-board, start at £32 for two nights, and the staff will advise you about the area.

On my way home I stopped off in Glastonbury, a place of legend and history, and when you visit the abbey (open daily), you can hire a tape recorder which provides an excellent commentary on the history of the abbey and its surroundings.

In complete contrast, my last stop was at the Fleet Air Arm Museum at Yeovilton which proudly exhibits Concorde 002. Open daily, except for Christmas Eve and Christmas Day, this imaginative display of flying machines, old and new, is a paradise for aircraft buffs, fathers and small boys!

Addresses: The Castle Hotel, Castle Green, Taunton, Somerset. The Fowey Hotel, Fowey, Cornwall PL23 1HX. Imperial Hotel, Taw Vale Parade, Barnstaple, N. Devon. West Country Tourist Board, Trinity Court, Southernhay East, Exeter EX1 1QS.

Somerset winter

Coming home

COOKERY

PHILIPPA DAVENPORT

Carrots with olives
Mustard baked pork
Braised chicory
Hot French bread
Viennese caramel with oranges or pineapple

GOING to the theatre and dining out afterwards makes for a very expensive evening's entertainment. Coming home to dine is not only considerably cheaper but also more relaxing I think; I hate to feel waiters clock-watching, longing to sweep me up with the crumbs. It is important of course that the menu is carefully thought out. The essential thing is that there should be at least one hot dish, and that there should be little work on return from the theatre.

I believe the menu suggested here fills the bill nicely. First course and pudding are cold, so they can be completely prepared ahead: leave the pudding in the 'fridge, put the carrots (plus white wine) in a cool place. The hot meat dish will cook to tender perfection while you are out.

Put main course plates and bread (wrapped in foil) in the plate warmer so they will be hot when you want them. On returning home unwrap the bread and pop it into the oven; baste the chicory, and remove the buttered paper.

CARROTS WITH OLIVES

I gave the recipe for this delicious and unusual vegetable dish on November 19 last year. Method and ingredients are the same irrespective of whether the dish is served hot or cold. I suggest serving it cold for this menu; prepare it 24 hours or more ahead for best flavour.

MUSTARD BAKED PORK

This very rich dish is cooked by the "cold start" method. Choose a fine loin of pork weighing about 2½ lb. Bone and rind it and trim away most of the fat. Roll it up into a bolster, tie with string in four places then cut into 4 thick slices.

Coat each slice on both sides with a paste made by mixing together 4 tablespoons soft brown sugar, 4 tablespoons English mustard powder and 3 tablespoons thick cream. Lay in a baking dish, cover with foil and place on the top shelf of a cold oven. Set the automatic time switch to start cooking 2½-3 hours before you plan to eat the pork, selecting oven temperature 300F gas mark 2.

BRAISED CHICORY

Chicory's slightly bitter flavour makes an excellent foil for the rich pork. Blanch 8 smallish heads of chicory for 5-6 minutes, drain and squeeze dry. When completely cold, lay in a thoroughly buttered gratin dish, top with smears of butter (you'll need a generous 3 oz butter in all), add a good squeeze of lemon juice and a grinding of pepper. Lay a piece of buttered greaseproof paper over the top: it should not seal the dish or even cover it completely, just enough to protect the chicory from drying out too much. Place the dish on a lower oven shelf to cook at the same time as the pork.

VIENNESE CARAMEL

A variation on crème caramel, this is easier to prepare and, in my opinion, even more delicious. Ingredients, baking and unmoulding are as for a classic crème caramel but instead of lining the mould with caramel stir the caramel into the scalded milk so it flavours the whole pudding. I use a ring mould and fill the centre with segments of fresh orange or pineapple just before serving.

هكذا من الأصل

HOW TO SPEND IT

Lucia van der Post

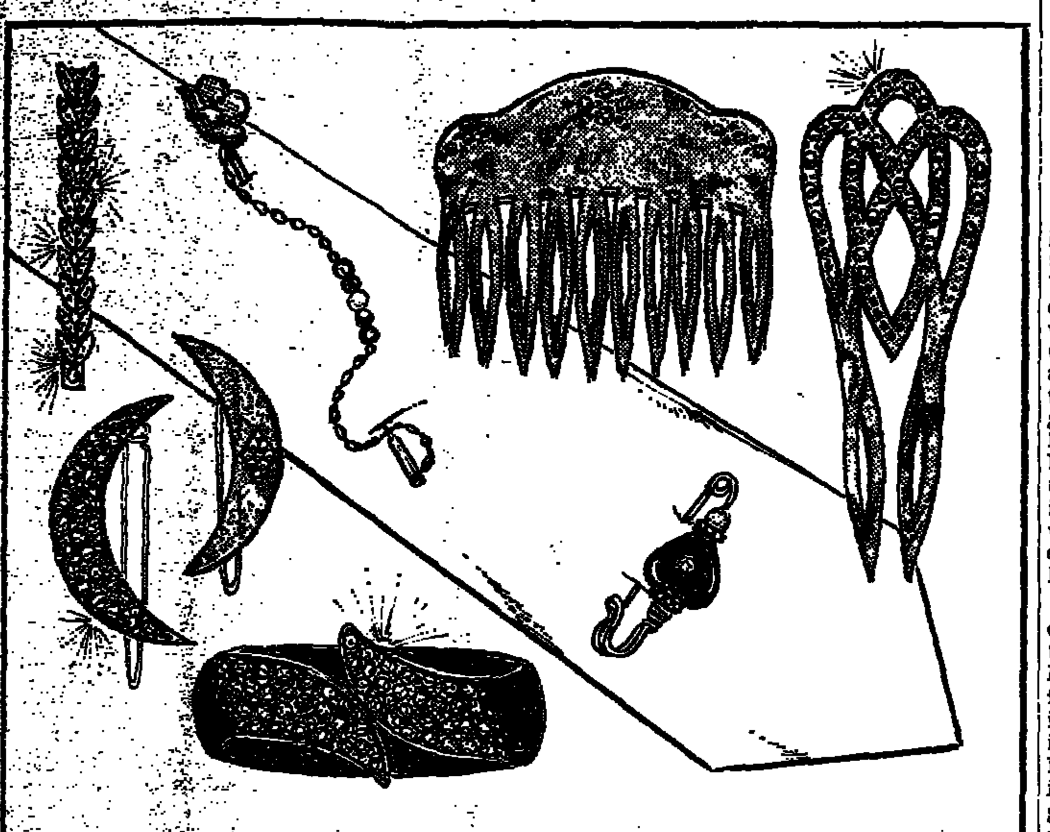
Jewels, real and fake

I CAN'T think of a single woman of my acquaintance who doesn't wear at least some jewellery and I can't think of one who wouldn't be thrilled and delighted with some for Christmas. The great thing about giving jewellery as presents is that firstly, it saves all that bother about measurements, all that sizing up of the sales assistant and wondering if your wife is bigger here or smaller there. Jewellery also usually comes in small packages, which helps solve the wrapping problem (this has been known to reduce the males in my household to the most shameless bribery in an attempt to shift the problem). The only remaining problem is of taste and price.

Taste can usually be solved quite simply by looking at what she actually wears now. Is she the flamboyant type who would much prefer a large and glittery paste brooch to an infinitely subtle plain gold chain? Does she go for the little antique shop find or the latest copy of Art Nouveau?

If she's really very avant-garde, try shops like Cornucopia (12 Tachbrook Street, London, SW1) selling 1920s revivals, Butler and Wilson (which now has a branch in Liberty of Regent Street, as well as its own shop at 189 Fulham Road SW3). If she likes her jewellery simple and understated Selections, Beauchamp Place, or André Bogaert of South Molton Street, London W1, should have just the thing. If she's really "into design" then Argenta at 84 Fulham Road or Electrum of 21 South Molton Street, London, W1 have the most exciting, really modern collections that I know of.

If she loves antiques hunt around the antique markets but if price is no object I can't think of a nicer shop than N. Bloom and Son of 40 Conduit Street, London, W1. And if you are Richard Burton, then M. Gerard is the man for you.



THE costume jewellery department at Harrods is well worth scouring if you want either to buy for yourself or to give somebody else some stylish but inexpensive glitter this Christmas. It would be perfectly possible to brighten up the dullest of black dresses for well under £5.00.

Top left is a glittery diamanté hairslide for £3.00. Satin ties are a good way of perking up an evening shirt and Marx of The Common Market, 121 Kings Road, London, SW3, has them in a variety of colours (red, blue, green, grey and so on) for £3.50 each. Shown on the tie are two pins—the one with the flower and the chain is £1, the little "gold" pin with diamante and a black heart is £1.75. The two combs are trimmed with diamanté; the shallower sidecombe is £1.70 while the more elaborate comb is £10.90. Bottom left are two sickle-shaped hair slides at £1.00 each. The diamanté trimmed black bangle is £18.00. All are from a wide selection of costume jewellery in the department on the ground floor.

INSIDE THE Hyde Park Hotel, a great experiment is taking place. Instead of the usual row of serene and expensive shops, the manager of the hotel thought it might be a good idea to have a craftsman on the premises actually practising his craft. Once the word spread he was inundated with impecunious craftsmen looking for such a salubrious setting but after carefully considering them all, he gave the workshop over to John Anderson, a craftsman jeweller who can now be seen on most days working in his shop, creating a range of jewellery which he sells to the hotel visitors as well as to passers-by.

Anybody who has never before seen a jeweller at work might be fascinated to see John Anderson at it, but at this time of year it might also interest those looking for jewellery as presents. Among the most reasonably priced pieces were these 18 carat gold chains which sport either an apple or a pear as a pendant. They are £130 each and hand-made and finished.

READERS who never seem to find the time to shop might like to know that there is one shop that is open every day of the week except Fridays, so even the most hard-working of you may run out of excuses for not doing any Christmas shopping. It's not just any old shop either—it's the craft shop run by the Crafts Advisory Committee at the Victoria and Albert Museum and it is full of the most desirable of hand-made objects, nearly all of them unique.

There is pottery starting at £2, wooden boxes starting at £5 and for those who want something even more special there are hand-painted embroidered silk purses by Sue Rangeley for about £16 or hand-painted silk headscarves by Anne Sicher for about £30.

Jewellery is there, too, and this "Butterfly and Bees" necklet made from 18 carat gold, shell, ivory and mother of pearl is by Jacqueline Mina. It has in fact been sold but very similar jewellery can be found at the Craft Shop. The shop is open from 10 am to 5.30 pm on Mondays through to Thursday and on Saturdays. On Sundays the shop is open from 2.30 to to 5.30.

M. LOUIS GERARD is something of a legend in what the French call "Haut Joaillerie" circles. Only ten years ago he was just an employee of the old-established firm of Van Cleef and Arpels. When he saw that there was no chance of them giving him a slice of the action, he decided to set up on his own. He did just that—setting all the old-established firms reeling as he quietly worked his way up to becoming the largest exporter of fine stones from France

Stones are what he's an expert on and it's his stones that are the pride of his collection. He can tell if a ruby comes from Burma or from some inferior place (for rubies, that is) like Afghanistan or Ethiopia. It is 35 years of looking at over a million stones that gives him his certainty. He stakes his whole reputation on his own knowledge and what interests him most isn't price but quality. All of which explains why, on the whole, his jewellery is among the most expensive in the world. "We don't cheat," he says firmly. "If I say a stone comes from India, then it comes from India and I write it on the invoice for all time. I also state the quality—'blanc exceptionnel' is marked on the receipt. How many other firms do that?"

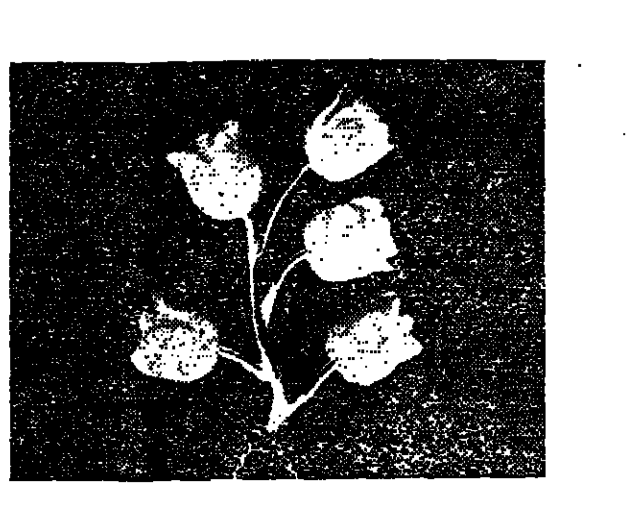
He has that curious knack that all born salesmen have of managing to make the man who is about to part with £1m feel that he's extraordinarily lucky to be given the chance to do so and at all his famous parties his clients fall over each other for a place at his table.

Since he started just ten years ago he's seen the price of sapphires increase in value by twelve times, rubies by eight, emeralds by 10 and diamonds by four. The world is running out of top-quality coloured stones (diamonds are still in fairly abundant supply) so many of the most beautiful stones come from old collections from the wealthy families of India, England, Portugal, France and so on.

By looking at his jewellery you can tell that stones are his real love—all the pieces are made so as to give greatest impact to the stones themselves and subtlety or finesse are not part of the picture. As a lover of stones himself he cannot understand all the fuss about his prices. "It's a question of a state of mind," he tells me. "Anybody who really wants lovely stones can buy them. I've had plumbers and electricians coming into my shop to buy—sometimes just a single stone—but they buy because they love the stone."

Anybody who is in the right state of mind and wants to invest in a M. Gerard stone will find his London shop at 14, Grafton Street, London, W1.

His daughter, Dominique, is pictured above, wearing some of his latest jewellery collection. The necklace and bracelet are made entirely from first quality flawless white diamonds (there are 31 carats in the necklace, 13 in the bracelet) and the price of the set is £115,000, the ring is £15,000.



JEWEL DISCOVERIES is a new collection of jewellery, based on pink and black coral and opals, which came into being when Helena Rubinstein, the beauty company, did some market research and discovered that there was a large market for jewellery that was real but not too expensive. In other words there seemed to be a gap in the market between costume jewellery, which often is quite expensive but which women feel has no intrinsic worth, and the very expensive "real" jewellery which is beyond the reach of most people.

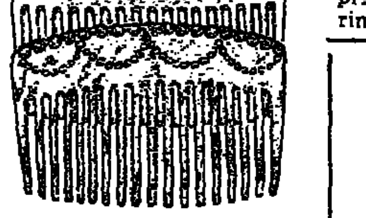
The collection uses some of the beautiful black and pink coral that has recently been discovered in reefs off Hawaii (most of the Mediterranean coral beds have apparently been grossly over-dug and are now virtually destroyed). I think the jewellery is quite extraordinarily pretty and is immensely good value—nothing in the shop is over £200 while prices start at £15.

The complete collection can be seen at Selections, 39, Beauchamp Place, London SW3. Shown in the photograph, above, is a very pretty pendant formed by 5 pink coral rosebuds—£60. There are also some delightful simple gold and coral necklaces for about £29, with matching bracelets at £20.

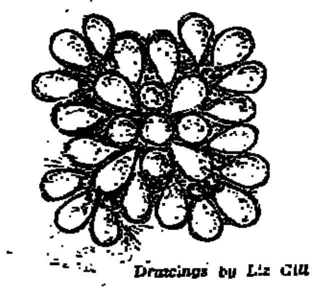
A single angel skin coral bud is £26 while twin rosebud earrings for pierced ears are £30.

Some people (and I'm among them) are too superstitious to wear opals but they are extraordinarily pretty and are much in demand. An opal pendant with four hanging pearls is £127 and there is a whole host of rings and other pendants.

The black coral is less "pretty" than the pink but much more dramatic and I can see it looking particularly stunning at night. All gold used in the settings and the jewellery is 14 carat. Anybody looking for simple silver or 9 carat gold chains would have to go a long way to find them more inexpensively than at Selections. Prices start at £7.65 for a silver chain and a nice heavy gold rope chain is £105.95.



CORNUCOPIA is a small shop at 12, Tachbrook Street, London SW1 that specialises in clothes and costume jewellery and accessories from roughly 1910 to 1950. They concentrate particularly on clothes (one of the partners, Gerry Richards, recently made the hats worn by Mrs. Simpson in the television series) and have a marvellous selection of 1920s beaded dresses, '40s crepe dresses and lots of blouses and tops. It's a lovely shop for the big, glittery accessories that are so much in demand this winter—the brooch, shown below, is only made of paste and fake moonstone but it has a terrific lot of panache for the £6 it costs. Similarly the combs come from a selection which starts at £2 and goes up to about £20 for a large mantilla comb. Some of the combs are real tortoiseshell but most are plastic.



Drawings by Liz Gill

Can you tell the difference?

MANY people may be surprised to know that there is a flourishing business in honest fakes. Nowadays the molecular structure of a diamond can be copied so closely by man-made processes that, according to Mrs. Sadie Passer, who was the first into this business in this country, "half the jewellers in Hatton Garden are trembling in their shoes."

Needless to say, Mrs. Passer, whose company, Diagem, is at Bowman House, 154, Marylebone Road, London NW1, doesn't ever pass off any of her stones as being the real thing. She is immensely proud of her fakes. Each of her stones is completely flawless, each is formed under intense heat in the same way as natural diamonds are formed, and each is cut with the same skill, by the same people, using the same tools. They refract light in much the same way, are set into either 9 or 18 carat gold (24 carat is too soft) and many jewellers cannot tell the difference between them without subjecting them to quite severe tests.

"Why," I wanted to know, "would anybody want to buy a fake diamond?"

Very often a man decides he'd like to spend about £100 on his wife and he goes to a standard jeweller and finds that for his money he can only buy a poorly coloured, flawed stone of somewhere between .02 and .05 of a carat. At Diagem for about £80 he could buy his wife a full carat stone that to all the world looks and glistens like a real diamond.

Mrs. Passer also supplies a large number of engagement rings and is building up a small but steady line making copies of jewellery that is so expensive that it spends most of its time in a bank.

Until now most of her jewellery has been made from yttrium aluminate garnet but now she is moving over to an even better material, cubic zirconium oxide. There is little difference in hardness—both materials register 8½ on the Moh scale of hardness (a diamond itself is 10) but the cubic zirconium oxide has greater depth and clarity.

Mrs. Passer has a full-colour leaflet which she will send to any reader and she does a large part of her business by mail.

Windsor Jewels is a newcomer to this field in this country, though they've been established for years in America. Their UK shop is at St. Christopher's Place, London W1. Windsor Jewels, too, use 9 and 18 carat gold for all their settings but they seem to aim for a much more moneyed market and the making-up of copies of genuine tiaras and diamond necklaces seems to constitute quite a large percentage of their business.

ARTS

Time of Awards

This year's Imperial Tobacco Awards for Radio were presented by Lord Goodman at the British Academy of Film and Television Arts, W1, on Thursday evening. Although this is only the third year of the Awards' existence, they are already well established, and keenly competed for, by both BBC and IBA stations. It is the one public occasion when senior officials from both camps may be observed mingling amicably in the preliminary cash-bar before repairing to the plushy auditorium for the ceremony. Huw Thomas was the smooth MC and the audience was treated to a dance act, a mini-history of radio, a demonstration of the musical functions of the Moog synthesiser, and some retrospective clips of Independent Local Radio programmes, before the presentations, some 13 in all.

Inevitably the majority of these go to the BBC and I am delighted to report that many went to programmes and per-

RADIO

ANTHONY CURTIS

formers already singled out for notice in this column. Denis Quilley received the Best Actor award for his Irish impersonation of Peer Gynt and Sarah Badel for another Irish performance, though tinged with American, in O'Neill's *Moon for the Misbegotten*.

Scotland struck back by winning the Specialist Programme award with Charles Nairn's *What Day's Christmas Anyway?* broadcast on BBC Radio Scotland and the award for the best scripted community programme on Local Radio went to the IBA station Radio Forth, Edinburgh, for a programme by Hazel Fowlie and Andrew Monaghan called *The Lanthorn*, first broadcast on a Sunday in June. It was about the Lanthorn community centre in Livingstone New Town where a variety of denominations including Methodists, Congregationalists, Episcopalians and Roman Catholics have worked together to set up a meeting-place which is a community centre both for worship and for recreation. The programme went into the implications of this local experiment in ecumenicalism for the region as a whole.

The other IBA programme to win an award was Piccadilly Radio Manchester's programme *If the Bombs Dropped Now* by Chris Bryer and John Smithson which was judged to be the best Documentary Feature. Broadcast in February it was certainly one of the most disquieting. An investigative job in a sensitive area, it disclosed the contingency plans (or lack of them) in the event of a hydrogen bomb falling in the Manchester area. Interviews with the Civil Defence authorities and others completed the picture.

Radio 3 took the Music Documentary award with John Amis and Natalie Wheen's *Music Now* and Radio 4 mopped up no less than five awards: Radio Presenter (Tom Vernon—*News Stand*); Light Entertainment (Douglas Adams—*The Hitchhiker's Guide to the Galaxy*); Dramatised Feature (Gerald Frow—*Beau Brummell, Prince of Dandies*); Drama Adaptation (Desmond Hawkins — *The Woodlanders*), and Drama Original (Peter Redgrove—*The God of Glass*). A special Gold Award was won by Alistair Cooke who was telephoned in San Francisco by Mr. Thomas during the ceremony. (Asked if he was on holiday there, he replied: "If you call playing golf holiday I suppose I am.")

The time-span for the awards was July 1, 1977 to June 30, 1978. It is a little early perhaps to start backing one's fancies for next year's race but I am sure we will be hearing more of a programme that went out this week, *The Spring of Memory* (Radio 3, November 27). It lasted an hour but it represented a distillation of many hours of tape-recording, made by producer John Theocharis, and sound engineer David Greenwood, while the Belfast playwright Bill Morrison answered questions about his childhood after being put under hypnosis by a London dental surgeon, Leonard Wilder. In a series of carefully structured sessions, with the microphone placed beside the couch, Mr. Wilder "regressed" Mr. Morrison from about the age of 12 back to the experience of birth and even to that of lying in the womb waiting to be born. The cool low-key manner of the presentation emphasised the incredible nature of what we were hearing. It was a pity in a way that the subject had to be a person with a trained, professional literary imagination. It raised doubts. Not as to his veracity, there was no questioning the sincerity of his childish cries of pain and rage, his sense of rejection and traumatic primal screams, but of the authenticity of what he was saying. It may all have been a stream of resentful hindsight released by the hypnosis. Even so it was absolutely riveting to listen to, and it will be interesting to see what effect, if any, the whole experience has on Mr. Morrison's future work.

See How They Run!

At the Greenwich Theatre on Thursday night it was as if the National had packed its bags and travelled deeper into South London. By that I mean that this jewel of a revival by John David of Philip King's 1945 farce restored to the modern repertoire a period play of astonishing vigour, style and quality. Mr. King is well known not only for this piece, but also as the author of *Sailor Beware* (with Falkland Cary) and *Fool's Paradise*, a sequel to *See How They Run!* I know Mr. King's work only from listless amateur revivals. Greenwich has almost made of me a convert to the small but select band of aficionados who believe Mr King to be our most distinguished playwright.

Ben Travers and Alan Ayckbourn are the obvious challengers to this title and, in terms of quantity of output, either might take the palm. But neither, I am convinced, has written a funnier play than this. It stands in the great British farce tradition of Pinero, Brandon Thomas and Travers,

THEATRE

MICHAEL COVENEY

the action set in the sleepy rural village of Merton-cum-Middlewick. Through the vicarage's french windows we see a painted church tower and a stalwart parishioner, Miss Skillon, arriving by bicycle to protest at her displacement in the Harvest Festival preparations. Crossing swords with Penelope Toop (Patricia Brake), the vicar's flighty wife—an ex-actress, she wears *trousers* in the village!—she bends to retrieve a glove. "I'm sure I'm broad-minded" she avers, inadvertently proving her point with a thrust of her tweedy rump.

Defining its own social context with meticulous care, the village is conveniently situated next to a German PoW camp, whence escapes a grotesque Teuton (Ronald Forfar) to add to the mayhem of a stage full of vicars, real and disguised, presided over by Mrs. Toop's uncle, the Bishop of Lax (Trevor Baxter) who finds himself, late in the day, locked outside by the lily pond in his pyjamas. Like Miss Skillon, the Bishop spends most of the evening in a state of either moral shock or physical discomfort. Toop himself loses his outer garments, the guest vicar (present to deliver a sermon on the morrow) is knocked insensible over an armchair and almost strangulated when somebody treads on his long scarf.

It is impossible to convey the brilliant technical ingenuity that goes into all this, but as the evening progresses, you realise you are in the presence of a master farceur. The idea accumulates, too, of the premises assuming Bedlam characteristics so that invisible objects, such as a non-existent human obstruction in the chase scene and a glass of whisky that disappears but is nonetheless passed around and gratefuly drained, seem no less than logical manifestations of the environment. The whole thing has started when Miss Skillon—played with outraged, delightful precision by Josephine Tewson — discovers Penelope and an old thespian soldier chum (Terence Hillyer) rolling around on the floor in a nostalgic recreation of the Act 2 row from *Private Lives*.

Miss Skillon spends much of her subsequent time being slapped on the face, locked in a broom cupboard or woozily in search of her own limbs. When a booming officer arrives to recapture the German—foiled, incidentally, by an appropriate tickle under the armpit—and is faced with a volley of vociferous vicars, the Bishop commands him imperiously to "arrest *most* of these people." It makes a tremendous verbal pay-off to an evening of unadulterated laughter and fun such as I have not enjoyed all year. My recommendation is total.

Leonard Burt

Terence Hilyer, Trevor Baxter and Patricia Brake

CHESS SOLUTIONS

Solution to Problem No. 244

1 N-KB4 (threat 2 N-K6 or 2 N-K2), K-B6; 2 QxKP, or if KxN; 2 Q-B5, or if BxN; 2 QxNP, or if PxN; 2 B-B6; or, if N-B6; 2 N-K6, or if P-K5; 2 N-K2.

Solution to Position No. 244

No. If (a) 1 . . . BxP ch; 2 KxB, Q-R5 ch; 3 Q-R3! QxR then not 4 BxRP? QxR; 5 BxP because Q-R8 ch! 6 KxQ N-B7 ch and NxQ wins, but 4 NxNP! and the threats such as 5 N-B5 will win for White. If (b) 1 . . . Q-R5; 2 B-KB4, N-Q7; 3 QxB! RxQ; 4 NN5 ch, and if NxR; 5 R-K8 mate, or if KB1; 5 N-R7 mate.

Chippendale sets record

The Combe Abbey library table, a George II mahogany library table attributed to Thomas Chippendale, sold for £100,000 plus the 10 per cent buyer's premium, to the London dealer Frank Partridge, at Sotheby's yesterday. This was an auction record price for an item of English furniture.

The table was made for the fifth Baron Craven of Combe Abbey around 1754 and had been sold by a descendant at Sotheby's in 1961 for £13,000. Yesterday it was the star item in the Hochschild collection of English furniture which totalled an impressive £907,150.

Other exceptional prices were the £52,000, also to Frank Partridge, for a George III black and gold lacquer commode attributed to Chippendale; £49,500 from Hazlett Gooden and Fox for a George II giltwood chandelier,

SALEROOM

ANTONY THORNCROFT

attributed to Matthias Lock: £30,000 from Mallett for a George I bureau cabinet; and £29,000 from another London dealer, Hart, for a George I giltwood chandelier.

Also at Sotheby's the Edward Hornby collection of watches sold for an equally impressive £529,850 for 80 items. A gold cased watch by Breguet was bought by Mannheimer, the Swiss dealer, for £57,000, while a gold and enamel watch by Jaquet Droz made £36,500 and a very similar one £26,000, to Mannheimer again.

At Christie's, in an auction of Old Master pictures, a Madonna and Child by Giulio Procaccini was sold to the London dealers Ward Jackson for £150,000, plus the 10 per cent. It had once been in the collection of King Charles I and was valued in an inventory of 1649 at £5.

Line up for Christmas

The Christmas shows are upon us with the usual seasonal mixture of hardy annuals, modern classics, and hopeful newcomers. At least there is something for most children, if not all adults.

Starting at the National Theatre, the main Christmas show is "Herod," a new play with music by Paul Mills. It opens on December 11 at the Cottesloe. There are also special family concession prices for the Ben Travers farce, "Plunder," over the holiday period. At the Royal Shakespeare, in the Warehouse, there will be "Awful Knawful," from December 10. This is the first RSC Christmas show for children for years, and not surprisingly is a musical about a failed stuntman.

At that other national institution, the London Palladium, pantomime returns for only the second time in five years. A new £300,000 production of "Aladdin" starts there on December 20, with Danny la Rue as Widow Twankey (his dresses alone cost £30,000), plus Alfred Marks, Dilys Watling and dancer Wayne Sleep.

Other pantos near London are "Robinson Crusoe" at the Churchill Theatre in Bromley from December 21 with Aimi Macdonald and Jack Douglas, and another "Aladdin" at the Watford Palace Theatre from December 18 starring Stephanie Voss. Over at the Queen's Theatre, Hornchurch, David Wood, who has cornered the market for new children's shows in recent years, is responsible for "Babes in the Magic Wood," a reworking of the old pantomime. It opens on December 11. Another of David Wood's musical plays, "The Owl and the Pussycat went to see . . ." opens at the Chichester Festival Theatre on December 15.

Two established classics reappear in the West End—the "Wizard of Oz" at the Whitehall, a stage version of the 1939 film success, from December 11, afternoons only, and "Toad of Toad Hall" is at the Piccadilly this Christmas from December 18, again matinees only. Once again Richard Goolden is Mole, a part he first played in 1930. At the Little Angel Marionette Theatre "Amahl and the Night Visitors" is the attraction, while the Albany Empire in Deptford re-opens on December 20 after five months of closure through fire with "Grand Opening II," a seasonal celebration.

Outside of London there is a horror panto "The Mummy's Tomb," a new work by Ken Hill, at the Phoenix Theatre, Leicester, from December 13 while at the Gardner Centre Theatre at the University of Sussex there is a light hearted version of "A Christmas Carol" from December 15. Also in Leicester there is traditional pantomime at the Haymarket with "Mother Goose" as well as another David Wood, "The Gingerbread Man," which has already opened.

The Young Vic Theatre is to hold a Christmas Festival in the studio from December 18 to December 22.

The Black Eagles are to perform a programme of music, dance and folk theatre from the West Indies on December 18. Ekome appear the following evening after their recent North African tour, with a selection of Ghanaian and Caribbean dances together with the Rastafari Singers.

Elizabethan games, carols and dances feature in *Will's Christmas Revels* on December 20. Interaction Productions present this evening of family entertainment.

Gotham City Swing Band are to perform two late night cabarets only on Thursday December 21 and Friday December 22 at 11 pm.

ANTONY THORNCROFT

THEATRES THIS WEEK . . . AND NEXT

THEATRE UPSTAIRS—*Masada* Poorish piece by a black company referring to the Masada of Jewish history. Reviewed Tuesday/Wednesday.

YOUNG VIC—*The Tempest*: Dull production in which all the action is assumed to be in Prospero's head. Reviewed Wednesday/Thursday.

HALF MOON, Alie St., E1—*The Machine Wreckers*. Toller's expressionist play about Ned Lud and his lot. Worth a revival. Reviewed Wednesday/Thursday.

COTTESLOE—*Has "Washington" Legs?* Very funny play by Charles Wood about a British production in Ireland of an American prestige film about Washington, excellently directed and acted, with Albert Finney and Robert Stephens. Reviewed Thursday/Friday.

OLIVIER—*Strife*. Imposing production of Galsworthy's pioneering play about a strike in a Welsh tin plate works. Reviewed Friday.

A thin week in London. *Under the Greenwood Tree* comes in from Salisbury to the Vaudeville on Wednesday; *Wheelchair Willie*, formerly seen at the Edinburgh Festival, comes to the Royal Court on Friday. Out at the New End in Hampstead, a new play, *Flashpoint*, about a soldier's combat with his morality; and at the Other Place in Stratford-upon-Avon, a new adaptation by David Rudkin of *Euripides*. At Oxford the new fashion for Jacobean drama brings up Tourneur's *The Revenger's Tragedy*.

TV/Radio

†Indicates programme in black and white

BBC 1

9.10 am Take another Look 9.30 Multicoloured Swop Shop. 12.30 pm Weather 12.15 Grandstand: Football Focus (12.20). Racing from Chepstow (12.50, 1.20, 1.50, 2.20). Ice Skating (1.10). Ice Figure Championships of Great Britain Squash (1.40, 2.10). PIA World Series Boxing (2.40). Amateur Boxing: England v Ireland plus Snooker: UK Professional Championships (3.10). Test Cricket from Brisbane (3.20). The John Player Trophy, Widnes v. St Helens. Snooker (4.05) Coral United Kingdom Professional Championship. 4.40 Final Score

5.15 The Pink Panther Show.
5.35 News.
5.45 Sport/Regional News.
5.50 The Basil Brush Show.
6.20 Dr. Who.
6.45 Larry Grayson's Generation Game.
7.40 All Creatures Great and Small.
8.30 Some Mothers Do 'Ave 'Em.
9.05 Starsky and Hutch.
9.55 News.
10.05 Match of the Day.
11.00 Parkinson 200.

All Regions as BBC-1 except at the following times:

Wales—8.45 am Take Another Look. 9.10-9.30 Wir 1 Chi. 5.45-5.50 pm Sport/News for Wales. 12.20 am News and Weather for Wales.

Scotland—4.55-5.15 pm Scoreboard. 5.45-5.50 Scoreboard. 10.05 Sportscene. 10.35-11.00 Sing Along with Sunshine 12.20 am News and Weather for Scotland

Northern Ireland—5.05-5.15 pm Scoreboard. 5.45-5.50 Northern Ireland News 12.20 am News and Weather for Northern Ireland.

BBC 2

2.15 pm Saturday Cinema: "Separate Beds," starring James Garner and Lee Remick.
4.00 Play Away.
4.30 The Mystery of Loch Ness.
5.20 Cricket: First Test — Australia v. England (highlights).
5.50 My Music.
6.15 The Old Grey Whistle Test.
6.55 News and Sport.
7.10 Network.
7.40 In Performance: Charles Aznavour presents Lee Grands Moments du Music Hall.
8.45 On the Road
9.15 Film International: "Roads to the South," starring Yves Montand.
10.50 News on 2.
†10.55 Midnight Movie Comedy Double Bill: "Man on the Flying Trapeze," starring W. C. Fields, and at †12.00 "The Big Store," starring The Marx Brothers.

LONDON

8.50 am The Saturday Banana with Bill Oddie, part 1 9.00 Sesame Street. 9.45 The Saturday Banana, part 2. 10.15 The Monkees. 10.45 The Saturday Banana, part 3 11.30 Tarzan.

12.30 pm World of Sport: 12.35 Headline; 1.15 News from ITN. 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Sandown. 1.45, 2.15 and 2.45 from Market Rasen. 3.10 International Sports Special: Darts — World Masters Championship from Wembley. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service.

5.05 News.
5.15 Cartoon Time.
5.30 Happy Days.
6.00 Bruce Forsyth's Big Night.
7.30 The Incredible Hulk.
8.30 Sale of the Century.
9.00 The Professionals.
10.00 News.
10.15 By Alan Bennett — Six Plays . . . "Me, I'm Afraid of Virginia Woolf."
11.30 Michel Legrand and Friends.
12.25 am The Practice.
12.55 Close: A painting by Picasso and music by Stravinsky.

All IBA Regions as London except at the following times:

ANGLIA

ATV

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1

RADIO 2

RADIO 3

RADIO 4

BBC Radio London

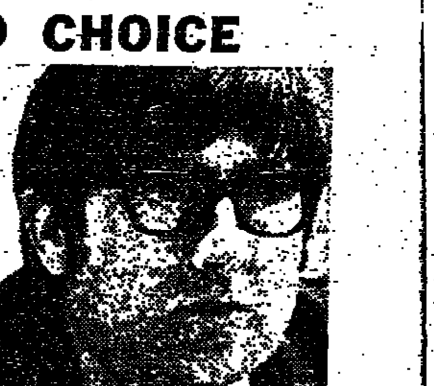
BBC Radio New Wavelengths

WEEKEND CHOICE

SATURDAY: Kerry's floodlights may be packing them in down under, but the BBC has its priorities right: they bring us the **First Test** at 3.00 on BBC1 and 5.20 on BBC2. The drama treat of the day is the first of six Alan Bennett plays on ITV at 10.15, **Me! I'm Afraid of Virginia Woolf**. Irresistible title. At midnight BBC2 offers the Marx Brothers in **The Big Store** with Groucho as Wolf J. Flywheel and Harpo with an amazing shop-lifting tool.

SUNDAY: Director Barry Letts has made extensive use of an electronic trick called chromakey to make his 4-part **Pinnocchio** which starts on BBC1 at 6.05 so that puppet and people can co-exist. BBC2 starts the most ambitious drama project (surely?) ever undertaken by any television company: producing every one of Shakespeare's 37 plays, beginning with **Romeo and Juliet**. Unfortunately it clashes with the addictive **Lillie** on ITV.

C.D.



Neville Smith

TV RATINGS w/e Dec. 2

UK TOP 20 (Homes viewing m)

1	Coronation Street (Mon) (Gran)	15.85
2	Robins Nest (Thames)	15.55
3	Lillie (LWT)	15.15
4	Larry Grayson (BBC)	17.30
5	Coronation Street (Wed) (Gran)	17.20
6	This Is Your Life (Thames)	16.85
7	Wednesday at Eight (Thames)	16.55
8	All Creatures Great and Small (BBC)	16.85
9	Some Mothers Do 'ave Em (BBC)	16.75
10	The Sweeney (Thames)	16.60
11	Return of the Saint (ATV)	15.25
12	Edward and Mrs. Simpson (Thms)	14.90
13	Crossroads Tuesday (ATV)	14.85
14	Crossroads Wednesday (ATV)	14.80
15	George and Mildred (Thames)	14.70
16	Crossroads Monday (ATV)	14.55
17	Crossroads Thursday (ATV)	14.30
18	Bernie (Thames)	14.20
19	The Liver Birds (BBC)	13.85
20	The Muppet Show (ATV)	13.60

Figures compiled by Audits of Great Britain for Joint Industrial Committee for Television Advertising Research (JICTAR).

U.S. Top 10 (Neilsen Ratings)

1	60 Minutes (news) (CBS)	29.6
2	All in The Family (comedy) (CBS)	28.2
3	Alice (comedy) (CBS)	27.8
4	Three's Company (comedy) (ABC)	27.3
5	Laverne and Shirley (comedy) (ABC)	26.8
6	Charlie's Angels (drama) (ABC)	26.2
7	Happy Days (comedy) (ABC)	25.9
8	Little House on the Prarie (drama) (NBC)	24.9
9	MASH (comedy) (CBS)	24.1
10	Eight is Enough (drama) (ABC)	24.6

A Neilsen rating is not a numerical total.

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

هكذامن الأصل

ARTS/LEISURE

Pieter de Hoogh: "The Disputed Reckoning"

Paintings from Scotland

ART

WILLIAM PACKER

The National Trust for Scotland, like its English counterpart, is all too easily taken for granted. The responsibilities it takes upon itself are enormous, and its very success a kind of general rebuke that its intervention should ever be necessary. The thought of what this kingdom would be like now had the two trusts never been is just too hard to bear, for human nature seems not to change, and official indifference to history and beauty in the face of the lucrative, short-term investment, the myth of progress, and private rapacity, remain powerful enemies still. And yet the very title, *National Trust*, has an imposingly official ring to it, so much so that it too must work somewhat against it, suggesting to the thoughtless and the careless that central authority indeed is active, the cost already met *from central funds*. We need constantly to remind ourselves of the great work of conservation done on our behalf by this private initiative, and to support every effort to raise funds.

One such enterprise now fills the splendidly authentic Victorian galleries of Agnews, in Bond Street (until December 8), which have most generously been put at the disposal of the Scottish National Trust. An intriguing and delightful show has thus come down to London, a selection of Dutch and Flemish pictures, predominantly of the 17th century, that are now in private Scottish collections.

The quality of the work is very high, and the pleasure it affords considerably enhanced by its comparative unfamiliarity. The artists themselves are familiar enough, but some of these paintings have not been shown in London in a century, some of them never. The end wall is dominated by a large collaboration between Rubens, whose is the composition, and Snyders who painted the fruit, a beautifully fresh and lively thing. On either side are two Cuyps, characteristically bovine in their subject-matter and sculptural in their description. Some excellent Ruysdaels, an important Hobbema, boats from Van der Velde and Van der Capelle, Metsu, Steen and Van der Heyden: and so the list goes on. A Van der Neer of a frozen canal, full of incident and close and lively *observation, is especially charming*, as is the portrait by Jordaens of his younger daughter, made quite sensibly the frontispiece of the fund-raising catalogue. And there is my own particular favourite, tucked into one of the bays along the side, a Pieter de Hoogh in which, so typically in these genre scenes, the principal figures squabble *over the payment for goodness* knows—what kind of service, though it must be said that this public room seems innocent enough.

Hagley Hall's post bag

COLLECTING

JANET MARSH

AS ANCIENT noble families go, the Lytteltons of Hagley Hall have tended to the Good rather than the Great. The family produced an Admiral, a Chancellor of the Exchequer and a Governor of South Carolina; and a Lyttelton was put to death for sheltering fugitives from the failed Gunpower *Plot; but for the most part they* have been content for eight centuries loyally to play their role in the life of Worcestershire.

They had, however, the great merit of carefully saving all their papers. The Lyttelton Archive even survived a disastrous fire which destroyed the library and much else at Hagley Hall earlier this century—presumably since the documents were for many years *loaned to Birmingham Public* Library.

Covering a period of 700 years, the Lyttelton Papers are a unique and almost untapped source for British history. Alas, they have finally to be dispersed. The present Lord Cobham has been forced to sell them to pay Capital Transfer Tax following the death of the Tenth Viscount. They come under the hammer at Sothebys on Tuesday week, and the estimate of £150,000 looks conservative.

It is one more instance of the gradual (and in the absence of generous and imaginative official strategies for such cases, inevitable) chipping away of *the national heritage. In this* case, it has been done without raising the kind of fuss that has often led to the saving of objects of less historical significance but more immediate glamour than these few boxes of paper and parchment.

The Lyttelton papers begin with a remarkable series of *charters and letters patent from* the time of King John to Charles II. Several (including *John's) carry fine impressions* of the Royal Seal. Later charters are also decorated with initial letter miniatures of the monarchs. The portrait of James I illustrated is the finest of its kind ever to appear at auction; a comparable, earlier miniature of Philip and Mary is the only one of the couple recorded in the saleroom.

As historical evidence, perhaps the most remarkable section of the collection relates to *William Henry Lyttelton, who* was appointed Governor of South Carolina in 1755. (He took a year to arrive, since he was taken prisoner of war by the French on the voyage.) The 650 pages of his letter books are a virtually unknown source for the early history of relations between the new States of America and the Indian people: and often read as stirringly as any Western.

Lyttelton seems to have shown remarkable intelligence and sensitivity in dealing both with the Indians and the French. The documents record his letters or "talks" with *Indians of titles like Standing* Turkey, Halfbreed Will of Neujansee, and the Creek Wolf King of the Moccolossus. To the Emperor Old Hop and the Little Carpenter, signing him*self "Friend and Brother,"* Lyttelton writes in 1759:

"I have received intelligence that Moitoi of Settico with a Gang of twenty-five Men has lately kill'd and scalp'd nineteen White People, Subjects of the great King George, so that the Path is now fouler than ever; and stinks with their Blood: *nor can the traders from Vir*ginia pass for the Stench of it. I learn also that twenty more of your men from the Towns over the Hills are still outlying in Wait to do more mischief . . . This Evil has happen'd while you, the Little Carpenter, and I were eating lke brothers out of the same Dish, and while my *Hand was stretch'd out to put* Arms into the hands of you and your People."

The letter books of Admiral Thomas Smith offer almost as vivid a record of life in the Navy at the same period. Smith was the natural son of Sir Thomas Lyttelton, rose to Admiral of the Blue, and was *president of the court martial* of Admral Byng—for whom he recommended mercy.

Like any proper family the Lytteltons had their Good Lord and their Wicked Lord. Unfortunately Wicked Lord Thomas was seemingly so bad that nobody wrote to him, or if they did the letters were destroyed. The Good Lord, George the First Baron (1709-17) hobnobbed or corresponded with everyone who was anyone in the eighteenth century. (A patron of the arts, He was the dedicatee of *Tom Jones*.) The *collection includes letters by* Boswell (rare on the autograph market), Lord Chesterfield, Frederick, Prince of Wales, Lyttelton's patron, the Duchess of Marlborough, the elder Pitt, Pope and Voltaire.

Samuel Johnson wrote rather tactlessly to Lyttelton's brother about his intended biography in *The Lives of the Poets*; "My desire is to avoid offence . . ." Subsequently, disregarding offence, he wrote "That man sat down to write a book, to tell the world what the world had *all his life been telling him.*" Even his friends tended to be malicious: Lord Chester*field has left a cruel description* of a quaint, absent-minded man with a head "always hanging upon one or other of his shoulders (seeming) to have received the first stroke of the block."

Lyttelton ladies apparently inspired the confidence of Queens. Elizabeth I writes a *charming "Memoriall" to Lady* Paget (who was "very private" with her) on the death of her mother. Mary, wife of the Fourth Baron (and sister of Mrs. Gladstone) was governess tto Victoria's children, who *called her "Laddie"; and the* correspondence reveals remarkable intimacy with the Royal *family*.

Victoria herself found it almost impossible for years to speak or write about the death of Prince Albert; and "Laddie" may well have been the only person to whom she confided *in such poignant terms: "I* prayed never to survive Him—my all in all—the Life of my Life—without whom really had and have no life—but so it proved. . . ."

When this treasure is dispersed and lost for ever, the single crumb of comfort and memorial will be the handsome, *finely documented 200-page* catalogue which the auctioneers have produced, and which costs *£4 (from 34-35, New Bond* Street, W1A 2AA).

Royal portrait painter donates works to charity

Three pastel drawings by David Poole, Royal portrait painter, have been donated by the artist to The Order of St. John.

Mr. Poole has painted every member of the Royal family and the drawings represent the Archbishop of Canterbury, Prince *Charles and Lord Mountbatten.*

They will be auctioned at Sotheby's on Monday, December 4 in aid of the St. John Ophthalmic Hospital, Jerusalem.

A mix that works

GOLF

BEN WRIGHT

TAMPA (Florida), Dec. 1.

THIS PLEASANT city, which can truthly boast of owning the most beautiful airport in the *world, is host this week to the* $300,000 J. C. Penney Golf Classic on the north course of Bardmoor Country Club innearby Largo, which rings down the curtain on the 1978 U.S. golf *season. At least that was how* the sponsors wanted their new venture to be known, because *last year the event was called* the $200,000 Pepsi-Cola Mixed Team Championship. But the media have taken a hand in things to rename the most enjoyable professional tournament on the calendar the $300,000 *J. C. Penney Mixed Team Golf* Classic and the sponsors, the sort of American equivalent of Marks and Spencer's, are not too worried even if the firm's name is frequently misspelt—as it is.

The format of the event is a quite magical, if unlikely, one, and the European Tournament *Players' Division could do worse* than welcome the new British women's professional tour by *finding a sponsor and putting on* a similar event in say, the Marbella area on Spain's Costa del Sol, at much the same time next year. The man and his woman professional partner both drive at each tee, the men from the championship and the women from the medal tees. At the par four and five holes they *then swap golf balls for the* second shots, and thereafter choose with which they prefer *to play, bitting alternate shots* as in a true mixed foursome. At the par three's they choose which ball with which to proceed after their tee shots.

All the pressure is on the women. For a start the first prize of $30,000 to each member of the winning team is only exceeded once all year on the USLPGA tour in the Colgate-*Dinah Shore Winners' Circle* Tournament in April in California. Only 35 teams and those tied for 35th place will qualify for the 36 holes and the rich pickings here. To a woman the representatives of the physically weaker sex will tell you that against all their better inclinations they find themselves trying to belt the cover off the golf ball in an effort to keep up with their teamates. And despite all the legendary tales to the contrary, women are far inferior putters.

The formula probably sounds anything but magical, but it works extremely wel because the women professionals habitually set out to enjoy their golf, bless them, and the men — some of them seemingly against their better inclinations — are drawn willy nilly into the spirit *of things. Because everyone* connected with the event is billeted in the same hotel on *the beautiful beach of nearby* Clearwater Bay, the whole thing has become a sort of jovially athletic house party.

Commercial considerations aside, the CBS TV network covers the even smack in the middle of the football season because viewers in the frozen North palpably enjoy colourfully, and in some femal cases, briefly clad athletes plainly having a lot of fun playing *utterly brilliant golf in glorious* sunshine. This latter was so persistent for Wednesday's pro-am that the high temperature record for the day in question, set in 1934, was broken when the mercury soared to an unprecedented 85 degrees.

It all makes for light relief from a football game that, as it the case in all sports everywhere, violence has become increasingly and excessively commonplace.

Literally anything can happen at any time in this form of golf. *It is far less predictable than* the week-by-week 72-holes grind on both the men's and women's *tours. So far this year nothing* has matched the almost unbelievable record score of 11-under-par 61 that the winners, Jerry Pate and Hollis Stacy, scored in last year's first round. But in Thursday's first round *this year the eventual leaders,* outsiders Gibby Gilbert and Sharon Miller, looked to be headed for oblivion when, after starting from the 10th tee, they reached the turn in one-over-par 37.

That they holed the outward half in 28 was due in no small part to the fact that Gilbert holed out a 106-yards nine iron shot for an eagle three at the 525-yards eighth hole, and scored further birdie putts of 40 and 4 feet. Miller played her part too, however, holing putts of 15, six, ten and eight feet for the team's birdies at the first, second, third and seventh holes against their two shots dropped to par on the outward half.

Gilbert, 38 years old, is one of the many apparently "face-tour who are known in the trade as "no-names." He was nicknamed Gibby because his parents chose to name his C.L., so in Gilbert's case this is almost literally true in that his parents forgot to elaborate on *those initials. Despite his* apparent anonymity, however, this Chatanooga, Tennessee, pizza parlour owner now rightly regards himself as a high-class golfer, having twice dropped off the tour because, in his own words: "I had failed properly to learn my profession. Now I have."

My own great pleasure on Thursday was derived from watching two of the all time great golfers, Sam Snead and Kathy Whitworth, struggle elegantly in the sunshine to a *level par score of 72.* The 66-year-old Snead was as smoothly powerful as ever, despite complaints that aches and pains are finally getting the better of him. In fact it is only his frankly ridiculous putting frailty that prevents him from still holding his own with the best of the young, while it is the veteran *Whitworth's driving that is* occasionally her downfall. Today I have promised to watch Lon Hinkle and Pat Bradley, who had a 66 for second place on Thursday. They are my idea of the probable winners, but Pate and Stacy (69 overnight) will not surrender their title easily.

Pass me the Betjeman . . .

PAPERBACKS

ANTHONY CURTIS

COLLECTIONS and selections for many years. The *Selected Poems* "Chosen With a Preface of the work of John Betjeman have been a flourishing industry by John Sparrow" appeared in 1948. Sparrow made the point there that Betjeman "is not a Nature poet, like Wordsworth, but a landscape poet, like Crabbe," and insisted that Betjeman is not a satirist. "If *you are to satirise human be*ings you must be angry with them, not sorry for them . . . you must divest yourself of that imaginative sympathy which is Mr. Betjeman's distinctive gift as a poet . . ."

This was followed in 1958 by the *Collected Poems* with an Introduction by Lord Birkenhead. By 1960 it had run to eight impressions; in 1962 there was a second edition with additional poems; after five more impressions in 1970 there appeared a third edition with addition of all poems published in *High and Low*. Birkenhead, while agreeing with Sparrow, under-scored the depressive element in many of the poems, the *fear of death and serious illness*; and he wrote: "Another form of depression to which John Betjeman is prone is a sense of physical inferiority. This particular quirk, from which he derives masochistic satisfaction, leads him to depict himself as the crushed adorer of enormous tennis girls in whose muscular arms he longs to crumple."

Meanwhile, throughout these years the poet had been working industriously with his left hand as it were, writing prose. In 1938 he published *An Oxford University Chest* which contained his thoughts on undergraduates, dons and college servants as well as on the architecture of Oxford. A whole series of essays and radio talks on architectural and topographical topics followed, and a selection from these made by Mrs. John Piper appeared in 1952 as *First and Last Lores.*

Since then there has been more work outside his poetry, the Introduction to *English Parish Churches (1958)* and innumerable appearances on television and radio which have greatly extended the circle of his admirers. *It is not therefore* unreasonable for there to be yet another anthology, and one this time which brings together both the prose and the poetry. The enviable task of reading through the whole of Betjeman and deciding what to put in and what to leave out in this comprehensive selection has fallen to Mr. John Guest. The result of his labours is *The Best of Betjeman* which appears simultaneously as a paperback from Penguin at 95p and a hardback from John Murray at £5.00. It is a book which, shrouded in decorative wrapping-paper, will be lurking soon under many a Christmas tree.

Mr. Guest, who confines his own comments to a brief Editor's Note, has done his job impeccably. I doubt if even the most fervent Betjemanite will wish to quarrel; and the *scholarly reader will be grateful* for the dating of the contents. An early poem, "The Wyke*hamist*"—*if that is not satire* what is?—appears along with three more from *Mount Zion (1932)*, near the end is the savagely satirical "Executive" from *A Nip in the Air (1974)*, while in between these two sardonic extremes are much loved lyrical evocations of places like Westgate-on-Sea, *Harrow-on-the-Hill*, Felixstowe, Upper Lambourne, Trebetherick, Henley-on-Thames, as well as poems depicting the irresistible charm of a number of athletic, self-possessed, none too bright young women.

Maybe such poems chose themselves; and I feel it is with the prose that Mr. Guest has been particularly skilful. He includes a ghost story, "Lord Mount Prospect" (1929), un*known to me, a couple of* extracts from the rare Oxford volume, the delightful broadcast about the Victorian songwriter Theo Marzials, a large slice of the introduction to *Parish Churches* and almost the whole of "Metro-land," that brilliant television film, taking a route from Baker Street Station along the Metropolitan line into Bucks, Herts, and *Middlesex, which the poet made* with Edward Mirzoeff.

It is perhaps surprising how few poets or writers come into the book. One, though, who does is Oscar Wilde whose arrest at *the Cadogan Hotel is celebrated* in a famous Betjeman poem. Among the many things that contributed to Wilde's downfall at this time where his aphorisms "Phrases and Philosophies For the Use of the Young" in an *Oxford* undergraduate magazine, *The Chameleon*, which appeared in December, 1894, edited by an Exeter College student, John Francis Bloxam. He was later to become a clergyman; and as an undergraduate he wrote a story "The Priest and the Acolyte," with a homosexual theme which was *attributed to Wilde when it* appeared anonymously in the magazine. *The Chameleon* also contained poems by Lord Alfred Douglas; it did not survive its first number and has for long been an extremely scarce item. It has now been re-issued in an elegant facsimile, with a separate introduction by H. *Montgomery Hyde and essay by* Timothy D'Arch Smith, and may be obtained from G. Krishnamurti, The Eighteen-Nineties Society, 28, Carlingford Road, London, NW3.

Using insects as weed killers

GARDENING

ARTHUR HELLYER

THERE IS no doubt that newly turned soil looks very nice. There is beauty in a well ploughed field as there is in a well dug plot and this is the time of year *when many* farmers and gardeners will be doing just that. But whether *they* will always be well employed can be open to doubt.

Opening the annual British Crop Protection Conference in Brighton last week Dr. David Robinson, who is head of the Kinsealy Research Centre at Dublin's Agricultural Institute, remarked that, in perennial crops, capped, moss-covered and cracked *soil surfaces*, once regarded as extremely harmful, are now looked on as beneficial on many *soil types*. *In con*sequence faith in the value of well tilled soil, which has endured *for millenia*, has been lost in a generation.

Let me emphasise that Dr. Robinson *was referring* to perennial crops such as fruit trees and was not talking about *the initial preparation of soil* nor about crops that are renewed annually. For these purposes there are other considerations and though it is possible, under some circum*stances, to dispense with tradi*tional methods of soil cultivation, there are still very good *reasons for using them.*

But I do agree about the danger of cultivation around crops and *ornamental plants* that are more or less permanently planted. I find one of the most *difficult things* is to persuade people that they really are doing a great deal of harm when they *dig, or* even fork, close to fruit bearing plants of all kinds, whether trees, bushes or canes, and also around ornamental trees, shrubs and roses. Even herbaceous plants can suffer though some of these are not quite so much at risk as the woody plants since they do not, in general, push out their feeding roots so far nor do they keep so many close to the surface.

And that, of course, is the nub of the matter. Annual crops can be cleared away and then the ground can be dug just as deeply and thoroughly as one likes without harm to anything except, possibly, one's back. It is a convenient way of disposing of crop residues and non-persistent weeds that can be turned in and left to rot into useful manure. But there is no way of doing this around permanently planted things without far more harm than good.

Good gardeners have always known this and have solved the problem of weed control, feeding and soil improvement in other ways. Surface hoeing, hand weeding and mulching are traditional methods that have not been superseded but it is now possible to get rid of most of the weeds with non-persistent herbicides and it was to the side effects of some of these that Dr. Robinson was referring. Paraquat, in particular, seems positively to encourage the growth of moss and a lot of gardeners, though probably, by now, not a great many farmers, still believe that moss is harmful. In fact, having used paraquat for something like 20 years I am convinced that the moss does no harm at all and I am glad to have Dr. Robinson's confirmation. If one does not like the look of moss it is not all that difficult to rake most of it off and cover what is left with a mulch of manure, compost, peat, shredded bark or whatever comes most cheaply and easily to hand. Exactly the same applies to rose beds kept clear of weeds by small annual applications of simazine.

The British Crop Protection Conference, which this year was devoted entirely to weeds, did not appear to offer any new chemicals or techniques that could be immediately applied to private gardens though there were several things in the pipe line that could be useful later. I was particularly interested in an account by G. W. Selleck of experiments carried out at Long Island, New York with a beetle that apparently lives exclusively on bindweed. The large bindweed, *Convolvulus sepium*, which is such a beautiful weed of hedgerows, climbing through them to a height of several metres and covering them with snow white trumpets in late summer, and also the field bindweed, *C. arvensis*, are both common weeds in North America and Europe, including Britain, that are difficult to control by conventional methods. In spring 1977 and again in spring 1978 *larvae and adults of the Tor*toise Beetle, *Chelymorpha cassides*, were placed on maize, rye, grapes and various other *plants in areas in which the* hedge bindweed was troublesome. By mid-June some bindweed plants were virtually stripped of their leaves and by mid July an area of about three hectares was cleared of the weed with little subsequent regrowth that year. The crops were undamaged and when the area to *which they had been intro*duced was cleared, the beetles moved on in search of bindweed elsewhere.

Every gardener knows that if bindweed roots are broken up by forking or hoeing they grow rapidly so that one is soon in a worse position than before since cultivation has resulted in very effective propagation of the weed it was meant to destroy. One odd thing about the bindweed plants that were defoliated by beetls is that there was very little regrowth that summer, in fact none at all in 1977 and only about 1 per cent by mid-September 1978.

The idea of using insects to kill insects is familiar and both greenhouse white fly and greenhouse red spider mites are frequently controlled by such means. However I cannot recollect having previously heard of insects being used to control weeds. It raises all manner of fascinating possibilities but clearly these are methods still very much in the experimental stage. *The risks will* need to be carefully evaluated before any large scale use of such methods can be *recommended. All that* can be affirmed at the moment is that two pilot experiments in *America appear to have been* highly successful.

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Money and industry

BRITAIN IS now embarking on the second year of what is, on any historic view, a remarkable and unexpected experiment: an economic policy centred on monetary control, and administered by a Labour Government. The same Government is also wrestling with its own inner doubts about the second attempt to launch a slightly different kind of monetary discipline in Europe. On both issues the Government is facing the barracking of some of its most vociferous supporters, and on both it is at the same time struggling with other intractable problems which it mistakenly supposes are part of the monetary question. Struggles over incomes policy and the EEC Budget could lead the Government to muff both issues.

Stability

While industry is vitally concerned with both domestic and European monetary questions, domestic policy must be its prime concern: because unless internal stability is maintained, any attempt to join a system of European stability, even if only after some delay, will be futile. At the moment, the Government's commitment to monetary control looks rock-like; but except in the money market, where interest rates are historically high in relation to the rate of inflation, it has not come under any real strain yet. Inflation has been reduced, consumer spending has been booming, and the balance of advantage still looks highly favourable.

Some more difficult challenges than a rise in minimum lending rate will have to be faced in the next 12 months. The first will come from the trade unions: inflamed by the doctrinal struggle over "free collective bargaining," they are trying to push settlements to a level which threatens employment.

The second challenge will come in framing the next Budget. The unions are not the only people making excessive claims on resources; every week makes it clearer that the Budget last April was also excessive, in a way which is hampering growth through the credit markets. Ministers' speeches suggest that they are willing to threaten at least to follow the correct policies — to produce a deflationary Budget to reinforce discipline if the unions persist in their follies. If this threat is indeed carried out in an election year, then their conversion to monetary discipline will be proved.

Is it a threat, though? According to monetarist forecasters, it should be read rather as a promise. Last year monetarists were more optimistic about the economy than were conventional forecasters, and they were broadly right. This year they again expect a strong exchange rate to hold down inflation and support real consumer incomes.

This forecast is perfectly plausible, but it leaves out the cost: high cost pressures against a strong exchange rate compresses profit margins. Here in good earnest is the pressure for efficiency which the Government saw as the reward of monetary virtue in its Green Paper on the European Monetary System. The rewards of disciplined growth will go only to those managements which are technically alert and effective in labour relations, which is as it should be.

This issue will be fought out on the shop floor. It is a pity, and potentially even a tragedy, that the Government feels it necessary to complicate these questions by maintaining a noisy fiction of a national incomes policy, which would be far too rigid to permit adaptation if it could be enforced.

Burden-sharing

One of the difficulties is to make its central monetary commitment convincing while parading its doubts about a European scheme which apparently has the same aims. In fact there are genuine technical problems. They arise from the fact that the values of currencies cannot be stabilised against the pull of real and market forces without surrendering some control of domestic monetary growth: the Government's preoccupation with burden sharing — both the burden of exchange rate stabilisation and the financial burden of EEC policies—reflects these worries, about what is so far a rather crude and hastily-contrived scheme.

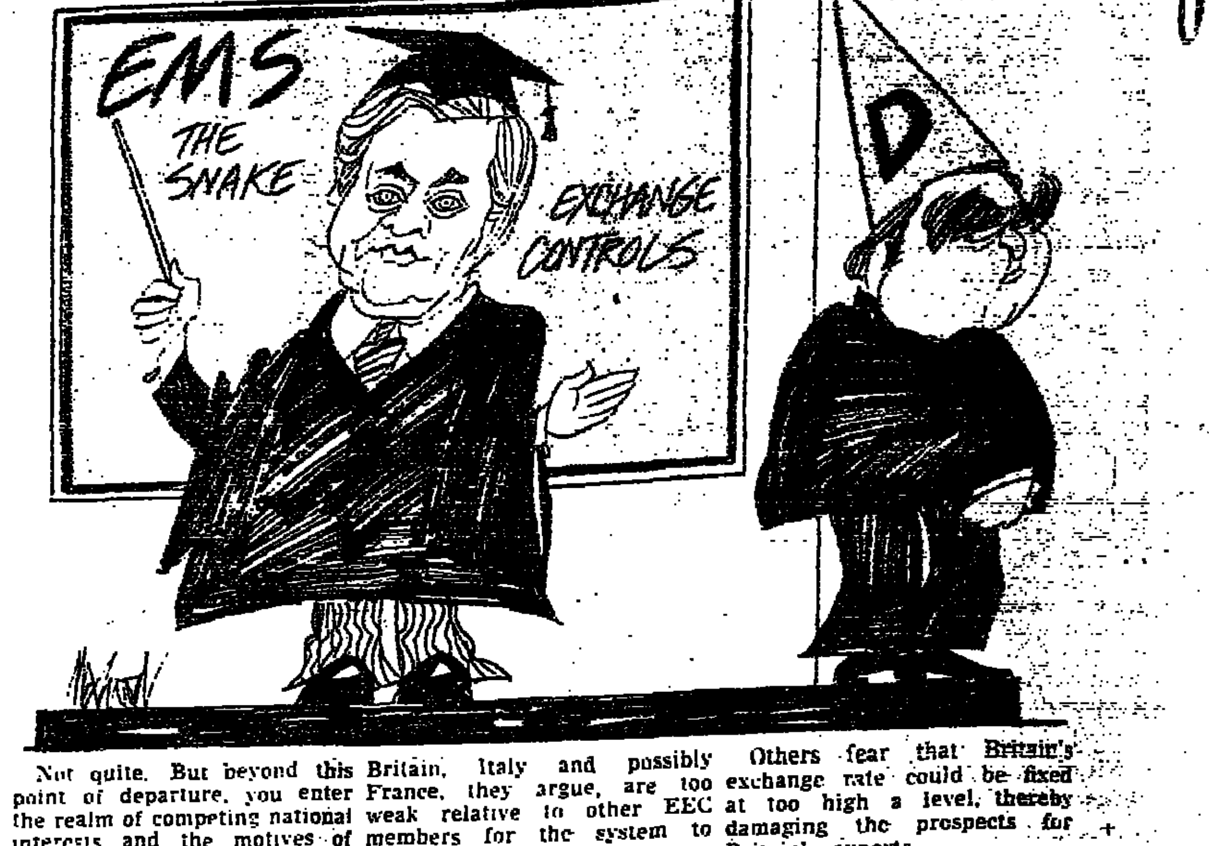
However, none of its authors pretend that it is perfect; and the possibility of adjusting within a wider band, granted to Italy and open to us, could be used to achieve the flexibility needed to allow our domestic policies time to work. The European and indeed domestic political arguments for joining in the scheme and in its development are far stronger than remaining technical doubts.

For industry, it will make little immediate difference whether we join or not; either way, the outlook is for a hard struggle over pay and efficiency, but in a potentially quite rewarding market. In the long haul, this is a realistic and encouraging environment, whatever the short term difficulties. If Britain were also to join the European monetary enterprise, and help to realise its potential for stability and co-operation, the grounds for optimism would be much stronger.

Next week, the nine EEC leaders meet for their most important summit since Britain joined the Community. At issue is nothing less than the creation of a new monetary system in Europe.

Today, we offer our readers:

An ABC to the EMS



BY OUR ECONOMICS STAFF

WHAT is EMS? It stands for European Monetary System. It is the brainchild of Helmut Schmidt, the West German Chancellor, who wants to create what he calls a "zone of monetary stability" within the Common Market. Herr Schmidt, with strong backing from President Giscard d'Estaing of France, wants to link Common Market currencies to each other.

Why do the French and Germans want to do this?

Until 1971, the whole of the free world operated a system of "fixed but adjustable" exchange rates. The pound, for instance, was fixed at \$2.80 from 1949 to 1967, and was then "adjusted" or "devalued" to \$2.40. Almost all the world's major currencies were "fixed" in this way throughout this period.

From the late 1960s to the end of 1971, the world's currencies went through a long period of upheaval, with a series of devaluations and revaluations. These "adjustments" were always preceded by sudden currency crises, with money flowing rapidly across the foreign exchanges. On frequent occasions, foreign exchanges were shut, central bankers rushed to one of the world's capitals, and produced a new international package of crisis measures to restore stability to the markets.

In 1972, this system of "fixed but adjustable" exchange rates—often referred to as the Bretton Woods system—broke down. In its place, the world's major industrial nations set up a system of "floating exchange rates." The pound, for instance, was no longer "pegged" to the dollar, but was allowed to "float" up and down in response to market pressures.

Chancellor Schmidt and President Giscard believe that in the circumstances of 1978, the primary objective of international monetary policy should be to reduce the rate of world inflation, and to create stable conditions for the growth of world trade. They believe these aims cannot be achieved under a regime of floating exchange rates. They therefore want to link Europe's currencies together so that the EEC as a block can attack the inflation problem.

Why do Schmidt and Giscard believe that their proposals will stabilise EEC currencies when massive intervention in the foreign exchange markets by central banks has not prevented sharp movements in currencies over the last few years?

No one pretends that the intention to link currencies closely together backed by intervention to support exchange rates will produce long-term stability on its own if wide economic differences remain. This is the lesson of what has happened to both sterling and the dollar in the last three years.

But supporters of EMS believe that the problem with floating rates is that very extreme changes occur over short periods in some currencies. The pound, for instance, was standing at above \$2.00 in March 1976, but by the autumn of that year it was down to just over \$1.55. This year it has for a time again been back above \$2.00.

It has been argued by Chancellor Schmidt and President Giscard that this extreme volatility has destabilised the world economy and aggravated inflationary problems. The Deutschemark, says the German Chancellor, has been pushed up in value by far more than the relative economic performance of Germany justifies.

Critics of a floating rate regime are worried that the people who buy and sell currencies—bankers, corporate treasurers and rulers of oil producing states—respond to a herd instinct. This can lead to a snowball effect when everyone sells at once. Supporters of floating rates believe that this herd instinct and the sharp fluctuations are largely a response to monetary pressures. They argue that it is necessary to control the expansion of domestic credit, such as bank lending, before a currency can be stabilised.

Chancellor Schmidt and President Giscard recognise the limitations of intervention in support of closely linked currencies, but believe that an EMS will eliminate the more extreme fluctuations and provide the right discipline on member countries.

Both leaders argue that without currency stability there will be no chance of reducing inflation and of creating the conditions for a sustained growth in world output. Without such stability, they believe that sharp currency movements will boost inflation, thus dampening down the expansion of trade and making businessmen less willing to invest.

Isn't this just a return to the Bretton Woods system?

It certainly represents a move back in the direction of more stable exchange rates. But there are two big differences. First, it only covers the EEC. Second, the "adjustment process" — that is devaluation or revaluation by a member of the EMS — is intended to be much easier and less traumatic.

What do other EEC countries think of the Schmidt-Giscard plan?

There is unanimous agreement on only one point—namely that exchange rates need to be more stable than they are at present. All the major European leaders were at one time Finance Ministers during the period when Bretton Woods was breaking down. There is a strong emotional yearning for the old days of stability.

Is that all they agree on?

Not quite. But beyond this point of departure, you enter the realm of competing national interests and the motives of national leaders. The waters become increasingly muddied.

Can you give some examples?

Take Germany and France. Chancellor Schmidt has seen the Deutsche Mark rise by 14 per cent against the dollar in the past 12 months alone. This has put a progressive squeeze on Germany's export-orientated economy. So he sees a straight trade-off between a stable Mark and German economic expansion.

President Giscard, on the other hand, is in the process of a dramatic experiment to force the French economy to compete with the world on equal terms. This is the so-called Barre plan, named after the French Prime Minister. He sees EMS as leading to a stable franc. This in turn will enable him to use EMS as a lever to impose wage and price discipline on the industry and trade unions of France.

What about the other EEC members?

Holland, Belgium, Luxembourg and Denmark are already members of a small currency block called "the snake." These countries have formed what amounts to a Deutsche Mark block in which their currencies jointly float against the rest of the world. Within "the snake," there have been a number of "adjustments" to central parities. These countries see EMS as an extension of what they are already doing.

Weren't France and Britain once members of the snake?

Britain and Ireland were members for seven weeks in 1972. France has joined and left twice. Britain and France left because pressure on their exchange rates became so intense that they felt they could not survive the rigours of "the snake's" rules.

What caused this pressure on British and French exchange rates in 1972?

Both Britain and France are major trading nations, whose currencies are widely held. The banking world took the view that their economies were too weak relative to those of other members of the snake, especially Germany. Speculation therefore started against these currencies, and the all too familiar herd instinct took over.

Many people, especially in Britain, believe that exactly the same will happen with EMS. Britain, Italy and possibly France, they argue, are too weak relative to other EEC members for the system to survive.

Is that why Britain has been so stand-offish?

One of the reasons, yes. The official British position as set out in last week's Green Paper is that a linking of European currencies is not enough to produce the results that Chancellor Schmidt and President Giscard want. Along with this step, say the British, you must do other things. Specifically, you must bring the relative performance of European economies more into line. That in turn means a close co-ordination of economic policies, and aid from strong economies like Germany to weak economies like Italy and Britain.

Why do the other EEC members say to that?

Broadly, that this and other British positions are a diversion from the main thrust of EMS. The whole issue has become over the past few months a test of how good a European you are. That is why Italy, which is in an even weaker position than Britain, looks like joining. Italy sees EMS as a major step forward in the development of European institutions.

Why doesn't Britain agree?

Britain is the only member of the EEC where a substantial portion of the public does not believe in the Common Market. This is reflected in the attitudes of many of our politicians notably the left wing of the Labour Party.

No Prime Minister, and particularly no Labour Prime Minister, can afford to ignore this basic political fact. In this respect, Britain is a bad European. By contrast, in Italy, France and Ireland, membership of the EEC is not an issue.

So British opposition is based on its anti-EEC feelings?

No, not entirely. If you are against British membership of the Common Market, you will almost certainly oppose Britain's participation in the EMS.

But the proposals are also rejected on more straightforward economic grounds. On the one hand are people like Edmund Dell, a firm pro-European and until recently Secretary for Trade, who think it will fail because the economic performances of the participants—say Germany and Italy—are too far apart.

Others fear that Britain's exchange rate could be fixed at too high a level, thereby damaging the prospects for Britain's exports.

A third group rejects the whole notion of Britain finding its salvation in what bankers call financial discipline. This group—most vocally represented by the Labour Left and the New Cambridge economics school—wants Britain to seek her economic recovery behind a wall of import controls.

So what will happen on Monday and Tuesday?

First, the system *is going to be set up*, probably starting on January 2. All EEC members except Britain are almost certain to join. The one possible last-minute dropout is Ireland. Ireland wants to join, not least to prove itself independent of Britain. But the British and Irish pounds have been tied together for over 50 years.

What exactly will they agree to do?

They will establish a Deutsche Mark-French franc bloc. The rules of this bloc are already fairly well defined. You will read next week about wider bands, parity grids, baskets and European Currency Units (ECUs). Don't be too put off. These are merely technical terms used to define exactly how the club will be run.

What matters to the members are the objectives of the club, not the rules. They want monetary stability in Europe: they want the new EEC currency bloc to act as a counterweight to the instability of the dollar; and they want to see the EEC come of age on the world monetary scene.

But next week is only a first step towards a fully fledged European Monetary System, with close co-ordination of economic policies.

But that is what the British want, isn't it?

Yes, but Britain does not believe, or at least it says it does not believe, that you can have EMS without co-ordination of economic policies. At this moment, it looks as if Britain will not formally link sterling with the other EEC currencies next month. Instead, it will wait to see how EMS progresses, and try to have a voice in that development, leaving open the option of joining later.

Isn't that what we did when the EEC was first set up?

Plus ca change . . .

A GLOSSARY

BRETTON WOODS SYSTEM: Agreed in 1944 and lasting until the end of 1971, under which exchange rates were fixed within narrow margins of each other and were occasionally adjusted.

SNAKE: A European currency bloc formed in April, 1972 in which exchange rates are linked within a margin of 2¼ per cent of each other and jointly move up and down against all other currencies. Present members are Germany, Belgium, the Netherlands, Luxembourg, Denmark and Norway.

PARITY GRID: A system of exchange rates similar to that operating in the snake.

BASKET: A proposal favoured by the UK under which all member currencies would be allowed to fluctuate within an agreed margin against a basket, or weighted average, of all EEC currencies.

EUROPEAN CURRENCY UNIT: Equivalent to an average of all participating currencies weighted according to the distribution of trade within the EEC, and the same as the present European Unit of Account.

WIDER BAND: A suggestion that some currencies should initially be allowed to move within a wider margin—up to 6 per cent. Proposal designed for, and only so far accepted by, Italy.

RESOURCE TRANSFER: Suggestion by Britain, Ireland and Italy that the EEC should re-examine the pattern of transfers from country to country within the Community, notably through the EEC budget.

Letters to the Editor

Expertise

From Mr. R. Hulbert

Sir,—I was interested to read my good friend Stephen Matthews' letter (November 28) regarding the "myth" of City of London expertise.

While one regrets that he failed to find support from British institutions, the fact is the City supplied his requirements. To my mind what is the more remarkable is the way that the City has attracted financial expertise from all over the world. Were it only able to offer the expertise of British banks, then it would inevitably have to surrender any claim to be the financial centre of the world.

R. G. T. Hulbert,
52, Luttrell Avenue, SW15.

Branches

From Mr. J. Burn

Sir,—Mr. Fingleton (Nov. 25) appears to overlook the fact that it is to the advantage of building societies to have solicitors acting as local agents in that the societies are spared the expense of running uneconomic branch offices, the cost of which would be far greater than the commission earned by solicitors. Further it is to the advantage of societies that investments and withdrawals be channelled through an office where some experienced person can check that the forms have been correctly completed.

The advantage to the investor is that he need not travel to the nearest branch of his building society and he has the benefit of a solicitor's advice as to, for example, the desirability of tying up a substantial amount of his capital in a three year term share account which yields a higher rate of interest but means that the capital cannot be available until the end of the term.

Also when an investor wishes to make some substantial alteration in his building society holding it is very much to his advantage to do so in consultation with his professional adviser, be it solicitor or accountant since that is usually also a time when it is worth while reviewing his fiscal and testamentary arrangements. And it is only when one is talking about a substantial investment that the commission itself is substantial.

Further it would be unrealistic to expect a potential investor at a building society's branch office to be told that the investor would do better by putting the money in a local authority loan. Indeed when such loans are more advantageous is just the time when building societies are understandably anxious to get as many deposits as they can.

To summarise, solicitors and accountants provide a service that benefits both building societies and investors: proper remuneration should be the reward for providing that service.

J. N. L. Burn,
The Hall,
Sinnington, York.

Enlightened

From Mr. R. Christie

Sir,—In the report on South Africa (November 27) it is suggested that the prime minister, Piet Botha, is a "liberalising" force.

For good or evil, it is a simple fact of life that Piet Botha is about as liberal as Attila the Hun, in the expressive American phrase. Anyone who has heard Piet Botha speak publicly on the subject of liberalism will bear testimony to this.

The word *verligte* does not describe him, but if you must use it, the simple translation is "enlightened," not liberal.

Renfrew Christie.
St. Antony's College, Oxford.

Mortgages

From Mr. C. Stoker

Sir,—The suggestion that tax relief will reduce the effect of the increase in the mortgage interest rate is, I would suggest, a "red herring" since whether you take the gross or net situation the first time buyer's repayments will now be about 20 per cent. higher.

In fact on a £12,000 mortgage a first time buyer will need to increase his or her income by up to £240* per annum just to cover the additional 2 per cent on the interest rate, thus a person with a gross income of £4,800 and a £12,000 mortgage would need an increase equal to the whole* of the government's 5 per cent pay guideline just to cover the additional mortgage payments! (* less if an option mortgage).

C. M. P. Stoker,
Balnagowan House,
Speldhurst Court,
Maidstone, Kent.

Transport

From Mr N. Seymer

Sir,—Chris Tankard (November 23) has got his facts wrong while A. I. Watkinson (November 18) got his right: bus travel is in practice (whatever the theoretical figures may be) about three times as energy-intensive as train travel (this is shown in a report by the Advisory Council on Energy Conservation).

Mr. J. C. Cooper (November 23) too alas has got his facts sadly wrong. The "realistic general cost" used by him and Spaven in the publication he refers to for converting a railway into a road is, after adjusting for inflation, about 2½ times as high as the actual cost of converting a former railway in Edinburgh into the present west approach road—and that conversion involved unnecessary works to provide a 5.1m headroom. Their figure was based solely on one actual conversion (in Norfolk) which was far from typical, and an estimate by GLC engineers for the Romford-Upminster line which was about 29 per cent higher than it should have been because it allowed for provision of retaining walls along the route where none were required.

Such conversion costs may or may not be justified for turning a railway merely into a busway. But that is not what I was advocating (November 9) for the Kentish Town to North Woolwich route. I was advocating conversion of this rail route into a road open to all kinds of motor vehicles. The North London Line portion would be a four-lane road, the rest two-lane. Buses would form only a tiny proportion of the traffic using these roads—which could well amount to 45,000 vehicles per day on the four-lane section and 17,000 on the two-lane (the capacities for such roads given in the latest Government memoranda on the subject). If the route is retained as a rail route (as now proposed by Greater London Council) the number of daily passengers will probably never exceed 5,000-6,000 over most of the route—similar to present flows on the Hounslow loop and the Wimbledon-Sutton line. Would not the removal of several thousand daily vehicle trips from London's crowded existing roads give a better return, in both economic and environmental terms, than the present expenditure on improving the rail route? Have the two alternatives been tested by the GLC?

Nigel Seymer,
15, Lansdowne Road, SW20.

Commodities

From Mr J. Rowlins

Sir,—Margaret Van Hattem stated in her article (November 20) on EEC farm prices that "opening the large British market to many commodities would drive world prices higher." On the contrary, denied guaranteed access to our market the EEC would be burdened with even greater surpluses than exist at present. They would find themselves competing for the British market with efficient suppliers in New Zealand, Australia, etc., and we, like Eastern Europe, would become the fortunate recipients of foodstuffs subsidised by our major industrial competitors.

If New Zealand and Australia felt they required higher prices than they receive at present, we could pay them an additional sum amounting to half the import levy now imposed on their produce. Not only would they benefit but the British housewife would be able to buy butter, cheese and lamb at considerably lower prices. (The total levy on New Zealand butter is over 20p a pound.)

New Zealand's meat trade is at present suffering from the political instability in one of her new markets—Iran. There cannot be many food producing countries who, like New Zealand, would not wish to establish and retain firm trading links with politically stable Britain.

John N. Rowlins,
3 Orchard Road, Backwell,
West Town, Nr. Bristol.

Managers

From the General Secretary,
Institution of Works Managers

Sir,—Mr. Whitehouse (November 28) refers to my "ain folk," "angels," "toffee-nosed" members being a long way from "God-like" "at all times superior to their circumstances and never at a loss," etc.

Specifically may I say: at no point did I suggest our members were God-like or infallible or should escape appropriate blame for mistakes or misdeeds; I did not say that our members were "all the time superior to their circumstances and never at a loss," or that I knew the individual performance of every one of our members; and equally I did not tell the world "it is not my lot to blame, Mister" or use any other shop stewards' lingo. Indeed I confess I am nonplussed by the extravagant phraseology used by Mr. Whitehouse which—and I concur with one of his remarks—is unworthy of the Financial Times.

The point of my letter, which I adhere to, is very simple. Professional managers, that is who have studied and practised industrial management academically and practically on the shopfloor are competent, not prone to be unnerved and, in short, are the trained people to manage industry.

C. J. Benson.
Institution of Works Managers,
45 Cardiff Road,
Luton, Beds.

Politics

From the deputy director-general,
Confederation of British Industry

Sir,—Will you allow me to attempt to lay a ghost which persists in haunting the Confederation of British Industry and which was abroad in a news item headlined "Auditors resist CBI recruiting campaign" (November 13). I refer to the charge that we are "political," with the implication that we are "party political."

We are most certainly not party political and never have been, but are we political? I suggest that neither we nor any trade or professional association can avoid being so, if by this is meant that we do not always see eye to eye with the government of the day and put our own point of view as persuasively as we can when we do not.

A variety of departments of state have some degree of involvement with industry and commerce, the Department of Industry and the Treasury to name just two, all engaged in political policy making and political action, a good deal of which is quite as much of concern to the accounting profession as it is to industry and commerce. When its effects are deemed to be adverse, the professional accounting bodies no less than the CBI let their views be known to Government. If by so doing we are acting politically, so are they; if they are not, nor are we.

A not inconsiderable part of the work of the CBI is concerned with legislation, not least company legislation and taxation. This work is of profound interest to the accounting profession and we are fortunate in having representatives of firms of accountants on our taxation committee. Indeed, the previous chairman of the taxation committee was an eminent accountant.

I cannot believe these firms would give us their time so generously if they considered our work of little worth, or thought we were doing no more than duplicating what their own professional association do. Their presence is a clear testimony to the value of our work, not least of its value to the accounting profession; and its quality owes much to the contribution of the professional accountants. That is why we seek the fuller support which the accounting profession could give by taking up membership of the CBI in greater numbers, and it is why we shall continue to seek that form of support.

Edward James.
CBI,
21, Tothill Street, SW1.

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Spain seeking a way out of its own tourism trap

BY ROBERT GRAHAM IN MADRID

GOING TOPLESS on the beach in Spain has ceased to be an offence against public morality. Yet where I was on holiday this summer some local police chief still saw himself as the guardian of the nation's morality. Thus, much to the entertainment of those on the beach, the Guardia Civil could frequently be seen stumbling over rocks and sand, looking totally incongruous in their shiny black cocked hats, to caution offending tourists. The campaign was largely ineffectual because no one could take them seriously.

The most curious aspect of all this was that the police should waste so much time on such activity yet ignore the many tourists who strew the beaches with litter, and that they should leave unchallenged the proliferation of campers so obviously using unauthorised sites.

Like the Guardia's obsession with morality, Spain's priorities in the tourist business have fallen out of step. Officials within the Ministry of Commerce and Tourism have come to recognise this as they took over this year's results. Indeed for the first time since Spain pioneered mass tourism in the early 1960s, a fundamental reassessment of priorities and policies is being undertaken. Implicit in this reassessment is a rejection of the traditional guiding philosophy of promoting growth—almost at all costs—in order to increase foreign exchange earnings. A high level of foreign exchange earnings has ceased to be the sole criterion for judging the success of the industry.

Ironically this change of tack comes at a time when Spain has never had such a good year for tourism. Both the number of visitors and the amount of foreign exchange earned are at record levels. In the first ten months of the year Spain had 35m visitors (16 per cent up on 1977) and by the end of the year the total will be 38m on current projections. In the first nine months tourist earnings were 34 per cent up at $4.14bn. But no one dealing directly with tourism is rubbing his hands over this. "We cannot feel proud of this achievement," says Sr. Pablo Cela, head of the Ministry's technical Cabinet. "We have now reached a peak and must reflect. We cannot go on growing like this."

The reasons for this reflective mood are not hard to find. This summer has thrown into relief the weaknesses and problems of the industry. The terrible explosion at the camp site near Tarragona in July—the worst ever tourist disaster of its kind—has drawn attention to the poor control of tourist facilities. The shortage of water in Benidorm this summer, obliging the navy to bring in emergency supplies, has underlined the poor planning and speculative nature of resort development. Labour problems, resulting in a lockout on the Costa del Sol in May, have emphasised that Spanish tourism is no longer a low wage, low cost industry. Finally the sheer volume of tourists has strained to the limit the existing infrastructure—much of which was designed to cope with tourist levels of ten years ago.

In short attention needs to be devoted to improving the quality of tourism. "The three 's'es—sun, sea and sangria—are now taken for granted by tourists, quality is not," says Sr. Cela. In order to improve the quality of Spanish tourism, which will inevitably make it a more expensive product, officials are even willing to envisage a cutback in numbers. Some, in fact, would prefer this. They feel this is the only way in which to gear the industry for the 1980s, a period during which the industry will still be expected to provide some 30 per cent of total direct foreign exchange earnings.

For several weeks now a commission has been examining all the "black spots." Before the end of the year the commission will have prepared a report with specific recommendations for action. The problems are known, the solutions less clear-cut. One of the first tasks is to try to restructure the main flux of tourists in July and August. "For the first time this summer I think people returned from their holidays frustrated," admits Sr. Cela ruefully. Anyone who has experienced a large Spanish coastal resort in July and August this summer will know why: too many people, too many cars, too much noise, too little service and unexpectedly high prices. During these months in Spain, and mostly on the Mediterranean coast, there were 15m foreigners and 10m Spaniards holidaying. Yet come September the number of foreigners dropped to 4m and the number of Spaniards on holiday virtually dried up.

The problem is principally one of trying to persuade Spanish employers to stagger their holidays. August is a month when Government grinds to a complete standstill and two-thirds of the urban population is on holiday. To change such a habit will not be easy. Without specific measures, any persuasion will have to rely on effective propaganda: holidays are more restful and enjoyable when less crowded and there is the incentive that holidays taken outside the two peak months are cheaper. One suggestion is to raise prices substantially for August and July, effectively penalising those people who want to holiday then.

A more basic problem is to ensure a better relationship between the prices people pay and the type of overall service they receive. As the recent conference of British travel agents in Torremolinos underlined, Spain cannot count on the loyalty of the tour operators if both quality and costs become unattractive. The Spanish are acutely conscious of this, especially since prices next year are expected to increase on average by 30 per cent for tourists. By liberalising the fixing of hotel prices from next January (from yesterday in the case of of the Canaries), the authorities hope that hotel owners will be stimulated to respond to market forces. They also hope that such liberalisation will establish a better dialogue between the tour operators and the hotel owners.

At the same time the Ministry of Tourism has introduced a stricter set of regulations for hotel owners. They are designed to prevent the kind of situation whereby tourists arrive to find their hotel rooms unfinished or where the description offered of the accommodation is inaccurate ("panoramic view of the sea"—which can only be seen from the top floor across several miles of industrial landscape). But these moves cannot take place in isolation and have to be part of a more general clean-up of planning rules and environmental control.

Benidorm is the prime example of the negative aspects of the tourist boom: Ruthless property speculation, unchecked by the local authorities, has resulted in this seaside town of 70,000 inhabitants acquiring a tourist accommodation of 250,000 beds. The town just cannot cope. The annual water shortage, worse than ever this year, is just one instance. "There will be no more Benidorms" Sr Cela maintains. This may be so but the damage has already been done and is difficult to repair. A first step is a thorough reform of the local councils and municipal administrations. These for the most part are antiquated, and far from honest. Any reform at this level can only come after municipal elections—the first under democracy—which were promised this year but will now not be held until at least the spring of 1979.

Meanwhile the municipalities have their hands tied by the complete absence of definition of where their authority begins and ends. For instance, when you ask in Madrid who is responsible for ensuring that beaches are kept clean, the water unpolluted and the environment respected there is an embarrassed silence. All along the line, from establishing regulations on, say, pollution, through to monitoring their observance and imposing sanctions, there is rarely if ever a clear definition of responsibility, which, of course, provides a splendid umbrella for inactivity. For instance, water is a major problem in parts of the Costa del Sol. But how can rational development take place when water is in private hands and the municipality itself has little idea of the real state of supplies? (Water at Benidorm is privately controlled, for instance.)

Or take the example of the Tarragona camping disaster, in which over 170 people were killed when a gas tanker exploded. Residents nearby had been complaining for two years to the local authority about the dangers of transporting inflammable liquids on bad roads. Nothing was done either to improve the roads, in spite of a heavy volume of industrial traffic, or to reconsider rules about the transport of dangerous materials in residential areas. The disaster also revealed that the camp site held close on 800 persons against a permit covering 300.

In the light of this experience and the general need to improve controls over tourist facilities, officials recognise the need for much greater inter-departmental co-operation. All the main government departments are directly or indirectly concerned with tourism—the Ministry of Public Works, Ministry of Health, Ministry of Transport and so on. It is thought likely that before the end of the year a new inter-departmental commission will be established to provide better co-ordination of activity.

What no one is yet willing to speculate upon is the overall cost of this comprehensive improvement in the quality of facilities—like better cleaned beaches, better control of treated sewage and industrial waste going into the sea, and better roads. The full extent of the renovation required was illustrated by an official who commented: "Just imagine Spain like one huge carpet over which 38m people will walk this year. No matter how good the carpet it must wear and be replaced." One suggestion for meeting the cost of such new investment is for an across-the-board tax on all tourists entering Spain. This is favoured by the Ministry of Tourism. Its proponents argue that a family who comes to Spain for a holiday gets more than it gives. This is especially the case with motorists and caravanners. So far the idea has gained little currency and certainly the tourists would only find it acceptable if they felt they were getting value for money.

Terry Kirk

High-season crush on Benidorm's beaches—the town's infrastructure can no longer cope

Weekend Brief

Film Fun

Sir John Terry, who now has only a few weeks to go before he gives up his job as managing director of the National Film Finance Corporation, seems remarkably confident that he will be able to hand over to his successor Mr. Mamoun Hassan a reasonable crock of gold. Sir John is convinced that the Government is about to come up with another £5m to rescue the NFFC from the financial depths into which it seems about to plunge. Over the years since it was set up in the late forties as a stimulus to a British film industry battered by the war and threatened by a Hollywood invasion, the NFFC has advanced more than £31m but it is now down to its last £350,000. Not much in these days when a £5m film is considered small beer.

Part of the problem is that if either of the political parties had seen their plans through to their ultimate conclusion the NFFC would no longer exist. The Tories have always been keen that the NFFC should find itself City partners, and float off into the real world of commercial investment — a theory the City seems to have found less than attractive—while the Labour Party is committed to Sir Harold Wilson's plan for the British Film Authority which would absorb the present activities of the Corporation. Sir Harold is chairman of the Interim Action Committee on the Film Industry, a body which has been interim for an uncomfortable length of time and, despite urgent representations to Government has not as yet produced very much in the way of action.

When Mamoun Hassan was appointed to take over from Sir John (who remains in the Wilson team) a clause was written into the contract which allowed for the setting up of the BFA and the consequential disappearance of the NFFC. The message that emerged was that Hassan, a man keenly supported by the younger film makers of the country, would have about three years at the NFFC top.

To have such a job with no funds would, of course, be to have no job at all and it now looks as if various back-stage assurances have been given. Even if the £5m does emerge during the next few months the NFFC is not going to be rich by international film standards. Substantial investments in three or four films would see that money disappear very quickly indeed.

The Corporation is regarded as one of few protections the UK film industry has against being just a jobbing shop for Hollywood. Star Wars is an example of film investment coming here on a fee basis and the huge profits going to California. Part of the NFFC's role is to seed the sort of investment that keeps the cash revolving around the UK. Major British film investors, such as the Grade lords, have tended to put a great deal of their money into foreign productions.

Terry is determined to ensure that any new cash that goes to the NFFC from Government is in the form of an equity investment rather than a loan. In common with many recipients of Government funds the NFFC has found itself burdened over the years with interest charges. Recently Government has tended to defer interest payments, but Terry wants them out of the way altogether. He is particularly irritated by the fact that the British Film Institute gets more than £3m a year to preserve Britain's film heritage and stimulate study of the industry, while he has only received a tenth of that averaged over the years to help produce the prime product. "If we had received ten times as much history of the British film industry would have beeen very different."

Sir John Terry, managing director of the National Film Finance Corporation, and Sir Harold Wilson, chairman, Interim Action Comittee on the Film Industry.

Small Print

The first surprise that any outsider gets when they glimpse under the covers of holiday insurance is the remarkable sums of money that are involved. No wonder therefore that the fur is flying a little over the Association of British Travel Agents decision to sign an exclusive deal for such cover with the U.S. based Home Insurance Company. Ousted from that role is J. Perry and Co. (Holiday Insurance) whose own scheme placed with Lloyd's underwriters bore ABTA's official approval last year. The Perry scheme is not squeezed from the market as a result, but it is placed at something of a disadvantage if the trade association is giving its backing to the newcomers. Some 3m Britons may take package tours this year — most of them buying the tours, and insurance, from travel agents.

Joe Perry himself is making much play of the different cover offered by the two schemes, but that is a matter for close reading of the small print. Perry's own organisational problems are, he says, a thing of the past. More interesting perhaps is the fact that while the quality of the schemes offered was clearly of considerable consequence to ABTA another matter that weighed in the balance was that of commission.

ABTA agents are now being told that if they go all out and sell the Home scheme they could produce so much revenue for their own trade association that they might not have to pay subscriptions. This remarkable suggestion, doubtless somewhat optimistic, stems from the fact that not only is Home giving each travel agent that sells one of its policies 37.5 per cent of the premium in commission, it is also giving ABTA itself a further 5 per cent. Those naive enough to think that trade associations do not normally take sweeteners in order to encourage their members to sell one particular product might be interested to note that last year Perry was giving ABTA 2.5 per cent while paying the agents 35 per cent commission.

In his counter attack Perry, having lost the ABTA endorsement, has switched his 2.5 per cent association over-ride to the agents themselves, thus your travel agent receives 37.5 per cent of the premium you pay whichever of the two schemes you opt for.

Interest in insurance has been stimulated by the French air traffic dispute last summer. The industry struggled to find someone to come up with cover for this sort of problem and it appears that the Americans were quickest to leap in with an offer. The whole business does, however, seem to raise that old question of whose agent is the travel agent?

Troubled Waters

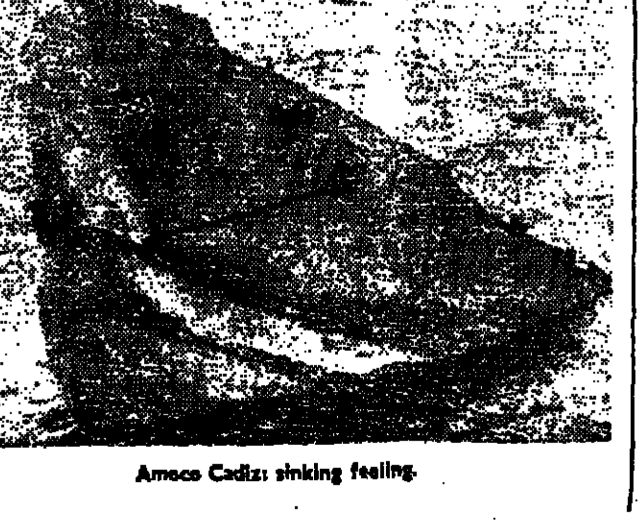
French determination to make sure that everyone had a good time nearly drowned out the message when a sizeable party of Gallic dignatories and scientists gathered at a London hotel earlier this week in an attempt to persuade the British that Brittany is clean and sparkling again after the Amoco Cadiz disaster. Clinking glasses and clattering forks created a less than helpful environment for hearing the message. For some that may perhaps have been a good thing, because the message that was clearest was that the French are now utterly convinced that muscle power is better than chemicals for getting rid of oil slicks, and in that they disagree deeply with their British counterparts who rely heavily on dispersants.

When the Amoco Cadiz grounded on Men Goulven, Roches de Portsall, in mid-March some 100,000 tons of light crude and 120,000 tons of heavier stuff began to leak into the ocean and make its way to the shores. Eventually the pollution hit 350 kms of coastline, leaving twice that much unaffected by the oil but badly hit by the disappearance of tourists and a reluctance in the seafood markets to buy anything from the area. The French moved in nearly 7,000 military personnel and started clearing up the mess by hand. Powdered chalk was about as near to chemicals as they came for assistance.

All in all things looked quite bright this autumn and the French started to gear themselves for a substantial tourist promotion scheme in one of their major markets — Britain. Then local headlines started talking of a hidden threat. The tale was that there is a further 40,000 tons of oil lurking on the sea bed, about to pop up if the wind is in the wrong direction or the tide turns too violently.

Not so claim the Bretons and produced their own scientist. Dr. Lucien Laubier, deputy director of the Brittany Oceanological Centre in Brest, to stress the point. "There is no pollution of coastal waters around Brittany's shares to be seen with the naked eye," said Laubier in London. "My colleagues and I estimate some 40,000 tons of oil are trapped in marine sediments but stress this is over an area of 1,000 square kilometres and not immediately around the wreck. It is possible violent winter gales could have an effect on the sea depths and part of this oil could be released into suspension in the water. However, this would be translated by an infinitesimal increases in the level of hydrocarbon contained in the sea water, discernible only by chemical analysis."

He went on: "In any case, this would not cause the reappearance of oil on the surface. Personally I believe this eventuality has been grossly exaggerated especially since heavy tides have already occurred since the disaster and the oil in the maritime sediments has already been strongly emulsified."



Amoco Cadiz: sinking feeling.

In View

While the BBC struggles with a lack of cash and the British independent television companies wonder what to do with their blossoming advertising revenues the American television networks are not without their problems. They too are now alarmed by escalating production costs and are looking for ways of keeping a tighter rein on expense.

The essential difference between the American companies and their British counterparts is that in the U.S. the networks tend to buy in their productions while the British show home-made offerings. Now there is a whisper that the American channels will look less to the film based companies of Hollywood and independent producers and turn instead to their own resources. Thus they would be able to control their own budgets and also not have to pay substantial repeat fees when they rerun old shows.

The trouble is that the American Justice Department might feel that this is a little too much like the misuse of televisual power and step in to stop such moves. Also the American nets might well find themselves in the same position as the British are sometimes—having made a terrible programme they still have to show it. No one likes to throw away their own money.

ARTHUR SANDLES

Your Weekend £: Austria 27.00, Belgium 57.25, France 8.30, Italy 1,640, Greece 73.75, Spain 138.25, Switz. 3.34, U.S. 1.935. Source: Thomas Cook.

Economic Diary

MONDAY — European Council (Premiers' Summit) meeting opens, Brussels, will decide on European Monetary System. £10 Christmas bonus for pensioners. Royal Smithfield Show opens, Earl's Court. UK official reserves (November). Wholesale prices index (November, provisional). Retail sales (October final). Capital issues and redemptions (November). Public sector borrowing requirement and details of local authority borrowing (3rd quarter). Hire purchase and other instalment credit business (October).

TUESDAY—EEC Budget Council meets, Brussels. Prince Charles opens Anglo-American conference on alternative energy sources, London. World Management Congress opens in Delhi. London clearing banks' monthly statement (mid-November). UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-November).

WEDNESDAY — National Economic Development Council meets, London. Association of South East Asian Nations economic ministers meet for trade talks, Kuala Lumpur. UK balance of payments (3rd quarter). Housing starts and completions (October). Construction output (3rd quarter).

THURSDAY — Canadian Prime Minister in London to meet Mr. James Callaghan. Lecture on exchange rates as instrument of economic policy, by president of Deutsche Bundesbank at London School of Economics. Financial Times' Conference on Nordic Banking and Finance opens in Oslo. Spain and EEC initial agreement. Union of Post Office Workers conference opens in Bournemouth (until December 11). Provisional figures of vehicle production (November). Survey of short-term export prospects (October).

FRIDAY—Canadian Prime Minister meets French President in Paris to discuss economic problems. US Treasury Secretary Blumenthal in Bonn for talks with Chancellor Schmidt on monetary matters. Johannesburg Stock Exchange closed for move to new building. Company liquidity survey (3rd quarter).

COMPANY NEWS

Illingworth Morris warns of shortfall for year

BEFORE TAX profits of Illingworth Morris and Co., manufacturer of wool and cotton textiles, edged forward from £2.07m to £2.37m in the half year to September 30, 1978.

But the directors warn that profit for the second half is unlikely to match that of the first. They say that sales at home and overseas continue to be affected by major economic uncertainties and nervous fluctuations in foreign exchange rates. Another adverse factor is the increase in interest rates.

The interim dividend is raised from 0.5p to 0.55p net. Last year's total was 1.484p from pre-tax profits of £4.76m.

Sales for the half-year totalled £62.6m, against £58.92m. Home sales went up from £27.85m to £28.48m, direct export from £24.69m to £26.76m and indirect exports from £6.07m to £7.16m. Overseas subsidiary sales fell from £220,000 to £210,000.

Trading profit was £4.31m, against £4.02m and investment income 146,000, compared with £158,000. Depreciation and amortisation took £727,000 (£580,000) and interest charges £1.35m (£1.52m).

The tax figure was down from £846,000 to £575,000. Minorities were £54,000 (£58,000).

See Lex

Herman Smith makes loss of £27,000

Herman Smith, the manufacturing and electrical engineering group, finished the year to June 30, 1978, with a pre-tax loss of £27,195, against a profit of £56,174.

In the 28 weeks to January 11 the group recorded a loss of £96,724 (£35,824).

There is no dividend for the year. A single final dividend of 0.25p net per 10p share was paid last time.

Turnover for the year under review was £4.76m, against £4.72m, and tax was down from £35,615 to £2,813. Profit on sale of fixed assets was £4,313 (£3,293).

Stated loss per share is 0.76p, against earnings of 0.31p.

£0.9m rise at Scapa mid-year

INCLUDING A first-time contribution from recently acquired Bury and Masco (Holdings) taxable profits of Scapa Group rose from £3.4m to £4.34m for the half year ended September 30, 1978 on sales up by over £8m to £33.68m.

The directors state that profits from the Bury and Masco group were at a similar level to those before acquisiton and that the integration of these companies and of Engineered Yarns is proceeding satisfactorily.

On increased capital, earnings are given at 7.8p per 25p share compared with 8.1p and the interim dividend is raised to 2.7p (2.44225p) net. The maximum permitted total for the year is forecast—last year's final was 3p paid from profits, down from a peak £7.56m to £7.18m.

The effect of increased activity in paper and board industry internationally has been beneficial to the paper machine clothing division.

The industrial textiles division experienced generaly good business the directors state and the continuing strength of the pound against the U.S. and Canadian dollars has reduced the effect in sterling terms of an increase in North American profits.

But this has been more than counterbalanced by a significant advance in earnings from U.K. companys and other overseas subsidiaries.

	1978 £000	1977 £000
Sales	33.691	25.326
Depreciation	1.009	762
Interest	603	422
Pre-tax profit	4.335	3.399
UK tax	1.274	779
Overseas tax	957	944
Net profit	2.104	1.676
Minorities	-33	17

● **comment**

With the Bury and Masco companies contributing about £0.6m and Engineering Yarns around £0.1m, Scapa's underlying growth rate at the pre-tax level is 7 per cent for the first half. It would have been double this figure were it not for adverse currency movements; in the U.S. and Canada (more than a third of group sales), the dollar has dropped an average 19 per cent against the pound over the period. There has been firm growth in all markets, with the U.S. leading the way. At home, while demand for paper machine felts is improving, the company is starting to reap the benefits of its recent capital investment programme. Current trading suggests that the upward trend is continuing. At 107p the shares yield a prospective 8.6 per cent.

Terry Kirk

Sir John Hunter, chairman of Swan Hunter Group, who is due on Monday to announce the results for the year ended June 30, 1978

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Christopher Moran ....int.	1.1	Feb. 9	1	—	3.6
Alpine Soft Drinks ...int.	2.41	Jan. 23	2.2	—	6.67§
Attwood ....int.	0.61	—	0.61	—	1.45
Herman Smith	Nil	—	0.25	Nil	0.25
Illingworth Morris and Co. int.	0.55	Feb. 8	0.5	—	1.48
Narborough (F.M.S.) Rbr.	0.8‡	Dec. 27	0.75*	1.5	1.25*
Scapa ....int.	2.7	Jan. 26	2.44	—	5.44

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross throughout. § Includes additional 0.06667p for 1977-78.

Arthur Bell lifts sales volumes and expects interim profits rise

A FORECAST of improved interim profits from both the scotch whisky and glass divisions of Arthur Bell and Sons was given by Mr. R. C. Miquel, the chairman, at the annual meeting in Perth, Scotland.

The chairman reports that progress continues in the Australian and New Zealand markets. In Australia Bell's now has 4 per cent of the market and, although duties were increased by 79 per cent in Australia in August, sales continued to grow.

In the U.S. there are a number of companies interested in distributing Bell's whisky following the termination of the agency agreement with James B Beam at the end of 1978. An announcement of plans will be made shortly. Meanwhile several senior executive appointments have been made in establishing the group's own organisation in this market.

The chairman reported that indications were that both home and export sales volumes for the first half of 1978-79 would be ahead of the same 1977 period. He also expected that profits from the scotch whisky division in the period would show an improvement.

On the glass container side demand was slow to pick up at the start of the current year but both factories were presently operating a full capacity to meet sales demand. Profits in the half year will be better than in the same 1977 period.

In transport, results continue to improve and it is forecast that the half year will see a break-even situation.

C. H. BAILEY

C. H. Bailey, the dry dock operator, has decided to change its system of paying dividends in order to qualify for trustee status.

Instead of making a single payment annually the group has opted to pay a nominal interim dividend of 0.05p with a final to be paid next May 1. The group says this will not alter its recommendation to pay total net dividends for the year of 0.23595p a share.

Blackman & Conrad turnround

A TURNROUND from a loss of £204,000 to a pre-tax profit of £55,000 was made by Blackman and Conrad in the six months to July 31, 1978. The directors say they trust that the improvement will be maintained in the second half.

The loss for the whole of last year was £217,000 after crediting £678,000 temporary employment subsidy, less iterim relief grants written back.

Turnover for period under review was down from £5.51m to £4.38m. There is again no tax.

The group, which makes children's women's and men's wear, is not paying an interim dividend. The last dividend was 1.375p net for the 16 months to January 31, 1977, for which period the company made £104,000 pre-tax profit.

Attwood Garages

Pre-tax profits of Attwood Garages were just ahead for the half year to July 31, 1978, from £28,476 to £30,842 and the directors say that the improvement has been maintained during the three months since the half-year end.

Trading for the remainder of the year is likely to be affected by a shortage of some models, but it is anticipated that results for the full year should be in line with last year, when the company achieved pre-tax profits of £89,000.

Excluding car tax, VAT and inter-company sales, turnover for the six months fell slightly to £2.24m, compared with £2.37m previously, and the pre-tax figure was subject to tax of £16,037 against £14,807.

Earnings are shown as 0.7p (0.65p) per 25p share and the interim dividend is unchanged at 0.6125p net—last year's final was 0.8375p.

The company is controlled by Attwood Securities.

Narborough slips to £170,400

PRE-TAX profits of Narborough (FMS) Rubber Estates slipped from £176,611 to £170,388 in the year ended June 30, 1978. Tax takes £76,852, against £79,319.

The final dividend of 0.8p gross (0.75p adjusted) raises the total from 1.25p to 1.5p. Earnings per share are shown down from 1.78p to 1.71p.

The group, which has estates in Perak, Malaysia, says the current year has started satisfactorily.

Christopher Moran up to £1.2m at halftime

TAXABLE PROFIT at Christopher Moran Group, insurance broker and Lloyd's underwriter, moved ahead by £144,000 to £1.23m for the six months to July 31, 1978. Insurance turnover was up at £1.49m, against £1.22m previously.

First half figures last time included a profit of £41,000 on sales of £3.16m by the industrial division the remains of which were sold in July this year.

In October, the directors said they were confident that the current 12 months' profit would be in excess of last years, when the pre-tax surplus climbed from £0.99m to a record £1.76m.

The net interim dividend is raised to 1.1p (1p) per 20p share and costs £189,828 (£172,571). The final for 1977-78 was 2.6p.

Net profit for the six months emerged at £592,000 (£529,000) after tax of £640,000, against £559,000.

Minorities took £5,000 (£4,000) leaving an attributable sum of £587,000, compared with a loss of £29,000 after an extraordinary debit last time of £554,000.

Brady Inds. now trading profitably

After recovering to a better than break-even position at the interim stage Brady Industries, the shutter door grille and liftmaking concern, is trading profitably, states Mr. A. E. Seymore, chairman, in his interim statement.

He reports that vigorous corrective action is proving effective: furthermore orders in the first half have been increasing and now stand at a record level.

As reported on Wednesday turnover rose from £3.6m to £8.83m in the six months ended September 30, 1978, and profits came to £4,000, compared with a second half 1977-78 loss of £47,000. In the first half of last year there was a profit of £60,000.

There is no interim dividend compared with 1.75p net—the total for 1977-78 was 3.5p.

Alpine Drinks unchanged

DUE TO losses of £91,248 on its leisure wear manufacturing operation and development expenditure in setting up a new subsidiary, taxable profits of Alpine Soft Drinks were virtually unchanged for the 26 weeks ended September 30, 1978, at £927,424, against a previous £920,679. Profit for all of the 1977-78 year was a record £1.54m.

Turnover for the first half was up from £5.44m to £6.7m.

The directors say that profits from soft drinks were up by 10.6 pere cent to £1.02m and reflects a 3 per cent increase in sales volume over the same period last year.

They consider this result satisfactory in view of the poor weather conditions throughout the half year.

After estimated tax of £482,000 (£479,000) net profit available came out at £445,424, against £441,679. The interim dividend is up from 2.2p to 2.412p net per 10p share, and will absorb £99,986 (£73,392). Also announced is an additional 0.06667p for 1977/78 on the reduction in ACT—last year's final dividend was 4.4p. The retained profit was £345,438 compared with £368,287.

The directors state that part of the tax charge represents a provision for deferred tax, which under SSAP 15 can be eliminated: consideration will be given on their deferred tax policy when accounts for the full year are finalised.

Results due next week

Two giant electrical groups, General Electric and Plessey provide the main features on next week's Stock Exchange list—both are due to report interim profits. Other major companies to report include Ranks Hovis McDougall, Hanson Trust and Pilkington Brothers.

GEC's interim results due on Thursday are expected to produce pre-tax profits of £165m-£175m (£145m). The best growth is likely to come from Marconi but power engineering could also show an above-average increase in profits, thanks to the competition of some big overseas contracts. The industrial division, meanwhile, has been dragged down by the dull demand for diesel related products but given higher interest rates there is likely to be an important improvement in investment income. This should be felt even more strongly in the second half. Meanwhile, the telecommunications outlook is brighter and GEC is no longer hampered by reorganisation costs. Full year estimates range from £365m-£410m, against £325m last time.

The market is not expecting a lot from Plessey's half-year figures next Tuesday. At the first quarter mark pre-tax profits crept ahead from £12.39m to £12.41m, and the second quarter is always a quiet time because of the holiday season. Overall, the market is looking to the second quarter to produce around £10.5m to £11m against £9.7m, but there is some doubt as to Garrard where Plessey might take in some of the costs of redundancy, though these will mainly fall into the third quarter. As for the trading background, electronic systems is the main area of growth, while private telephone systems should be doing well, and the aerospace side should be beginning to pick up.

Back in April Ranks Hovis McDougall was forecasting that overall profits for the year would be similar to the previous period, but by the interim stage the outlook was for a shortfall. The reason has been the impact of continuing adverse conditions in the UK baking industry on top of unsatisfactory trading in Eire, and analysts are not expecting much excitement when full-year results are announced on Tuesday. Generally, they are forecasting profits of between £32m and £35m (£38.7m) with a turnround at Wessex Finance. The acquisition of Spillers bakeries may start making an impact in the current year, but the current bakery workers' strike is clouding the immediate outlook.

After turning in £11.4m (£11.2m) at halfway, Hanson Trust's chairman forecast profits of around £24m for the full year, similar to the previous period. Analysts do not disagree with this projection, in spite of the continuing unfavourable currency movements, especially in the U.S. (80 per cent of group sales). In the U.K. the company should be able to improve profits in view of the slight upturn in private construction activities. The results are due on Wednesday.

Against the background of a slight improvement in trading conditions, especially in the private house building and commercial sector, Pilkington Brothers is expected to turn in satisfactory interim results on Wednesday. In spite of resrvations about the impact of adverse exchange rate movements. Generally analysts expect the company to turn in between £36 mand £40m, against £29.6m in the slightly depressed first half of the previous year. The company has recently stepped up its capital investment programme with the announcement of a new £0m float glass plant in St. Helens and a £10m safety glass plant in Nigeria.

Other results to note are third quarter figures from Smith and Nephew and Phoenix Assurance and preliminary results from Swan Hunter and British Sugar.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
British Sugar Corporation	Thursday	2.2980	3.4551	1.675
Cardiff Malting Co.	Friday	0.9	0.8	0.5
Causton (Sir Joseph) and Sons	Wednesday	Nil	Nil	Nil
Davenports Brewery (Holdings)	Monday	0.8	1.9671	0.88
Deanson (Holdings)	Wednesday	Nil	2.095	Nil
Dennis (James H.)	Tuesday	1.2845	1.56	1.41225
Devenish (J. A.) and Co.	Wednesday	2.0	3.9	2.125
Elson and Robbins	Wednesday	1.21	1.919	1.351
Epicure Holdings	Thursday	—	—	Nil
Flexello Castors and Wheels	Tuesday	1.05	1.714	1.155
Hanson Trust	Wednesday	2.75	3.5397	3.025
Irish Distillers Group	Tuesday	1.11	2.4375	1.57
Kelsey Industries	Tuesday	1.25	1.98475	1.25
Keystone Investment Co.	Thursday	1.75	4.25	1.75
K Shoes	Friday	0.77	1.5	0.89
Mitchell Cotts Group	Thursday	0.65625	2.74375	0.65625
North Midland Construction Co.	Friday	0.45	0.65	0.45
NSS Newsagents	Tuesday	0.7	1.4226	0.8
Peak Investments	Wednesday	0.5	Nil	Nil
Ranks Hovis McDougall	Tuesday	1.33	1.968	1.452
Richards	Wednesday	0.22	0.815	0.25
Swan Hunter Group	Monday	3.0	7.1892†	3.6
Williams (John) of Cardiff	Thursday	0.6	1.39	1.0
INTERIM DIVIDENDS				
Arlington Motor Holdings	Thursday	2.5	5.39	
Armitage Shanks Group	Wednesday	1.96	2.32	
Associated Tooling Industries	Thursday	1.1	1.458321	
Atkins Bros. (Hosiery)	Monday	1.25	2.423	
Austin (E.) and Sons (London)	Friday	1.277	2.571	
Baker Perkins Holdings	Thursday	1.9	2.4	
Bankers' Investment Trust	Tuesday	1.0†	1.55†	
Bassett (Geo.) Holdings	Tuesday	1.4025	4.26438	
Bishop's Stores	Friday	1.21126	1.3764	
Bremner and Co.	Monday	1.015	2.6	
Bristol Evening Post	Tuesday	2.7	3.87	
British Building & Engineering Appliances	Thursday	1.1	1.5812	
British Tar Products	Thursday	0.5	1.304	
Buckley's Brewery	Thursday	0.55	1.2375	
Burnett and Hallamshire Holdings	Thursday	1.42732	1.42733	
Cawoods Holdings	Thursday	0.973	2.638	
Carless Capel and Leonard	Tuesday	0.3693	0.5326	
Castings	Thursday	0.42	1.375	

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Churchbury Estates	Thursday	1.753	2.877	
Clarke Nickolls and Coombs	Wednesday	0.8914	1.0695	
Coalite and Chemical Products	Wednesday	0.9381	1.8435	
Cropper (James)	Friday	0.5	1.0	
Dundonian	Tuesday	0.66667	0.75367	
Durapipe International	Thursday	0.962	3.117	
English Card Clothing Co.	Wednesday	1.1	1.53	
Fertleman (B.) and Sons	Friday	0.396	Nil	
General Electric Co.	Thursday	2.0	2.043	
Hall (Matthew)	Monday	1.7608	5.3216	
Highams	Tuesday	0.7	2.311	
Ingram (Harold)	Tuesday	1.29	Nil	
Kleen-E-Ze Holdings	Monday	0.873	3.443	
Lemons Group	Friday	0.4226	1.24568	
Lyons (J.) and Co.	Thursday	2.068	Nil	
Mansfield Brewery	Thursday	2.32	5.19	
Marshall (Halifax)	Monday	0.99	4.95	
Norton (W. E.) (Holdings)	Wednesday	0.16318	0.15718	
Oil and Associated Investment Trust	Wednesday	0.5779	1.518	
Pegler-Hattersley	Thursday	3.15	4.535	
Pilkington Brothers	Wednesday	2.551	2.925	
Pitman	Thursday	—	—	
Plessey and Co.	Tuesday	2.90707†	2.37336	
Rotaprint	Wednesday	1.1205	1.9119	
Russell (Alexander)	Thursday	1.44	0.503‖	
Shaw and Marvin	Tuesday	Nil	Nil	
Somic	Monday	0.9562	1.4306	
Stonehill Holdings	Thursday	2.23	3.75	
Vinten Group	Monday	0.33333	0.69333	
Warrington (Thomas) and Sons	Wednesday	1.1637	1.9877	
Woodhead (Jonas) and Sons	Friday	1.2275	2.56593	
INTERIM FIGURES				
Edinburgh and General Investment Trust	Wednesday			
Group Lotus Car Companies	Monday			
Hallam Group of Nottingham	Friday			
London and Overseas Freighters	Monday			
Phoenix Assurance Co.	Wednesday§			
Smith and Nephew Associated Companies	Tuesday§			
Triefus and Co.	Monday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Including second interim. ‡ Including third interim. § Third quarter figures. ‖ Second interim.

Tilley Lamp progresses to £167,000

The recovery, begun in the second half of last year, continued for Tilley Lamp Co., a subsidiary of Stonehenge International in 1977/78. With taxable profit of £134,257, against £111,460, coming in the second six months the group finished the year to June 30 with surplus up from £84,831, to a record £167,310.

The result this time benefited from a change in the method of stock valuation which produced an exceptional credit of £22,848 (nil).

Sales, which in the first quarter were up 58 per cent, compared with 40 per cent for the whole of the previous year, at fulltime were £0.4m better at £1.9m.

After tax of £71,468 (£27,655) earnings per 25p share came out 8.1p up at 18.7p. Ordinary dividend paid by the company, which has close status, again cost £19,200.

Profit was struck after depreciation of £98,703 (£103,803) and overheads capitalised on work on plant and tools produced a credit of £19,438 (£20,827). There was an extraordinary credit of £51 (£5,811) and £31,464 (£30,473) was withdrawn from capital and investment grants reserves against depreciation.

The ultimate holding company is Hersov Investments Corporation (Netherlands and Antilles) NV.

Tilley manufactures paraffin pressure appliances, liquid petroleum gas camping equipment and carpet sweepers.

BIDS AND DEALS

Further move by Redland in U.S. expansion

BY JOHN MOORE

AS PART of its $100m expansion programme in the United States, Redland, the UK based building materials and contracting group, is planning to purchase Season-All Industries Inc., of Indiana, in a deal worth $33.3m (£17.1m).

The purchase is being made by Redland in conjunction with its 58.4 per cent controlled West German subsidiary, Braas and Co. Redland and Braas operate a joint subsidiary in the U.S.—Redland Braas Corporation—and it is through this that the acquisition is to be made.

The acquisition is to be in the form of a merger between a subsidiary of the Redland Braas Corporation and Season-All. The shareholders of Season-All are to receive a cash payment of $17 a share, which puts a value on the company of $33.3m.

Season-All manufactures custom-made aluminium insulating storm windows and doors and replacement windows. It also makes vinyl-coated aluminium windows. It has three manufacturing operations located in or near Indiana, Pennsylvania, and a fourth, opened in 1978, in Decatur, Illinois.

In its last financial year, ending December, 1977, Season-All made pre-tax profits of $3.9m on turnover of $43m. This compared with taxable profits of $2.7m and turnover of $31m in the previous year.

Earlier this year Redland purchased for $26m Automated Building Components of Miami, an American roof fastening manufacturer. That group reported sales of around $49m and an after-tax profit of $3.1m in its financial year ending January 31, 1978.

Redland also has subsidiaries engaged in traffic engineering and traffic control devices, which produced sales in the group's last financial year of about $20m.

Redland's American expansion programme is designed to acquire companies which will offset the expected slower rate of growth in the UK and other European markets.

A meeting of Season-All shareholders is to be called early in 1979 to obtain approval for the planned merger.

HAWLEY GOODALL EXPANSION IN WALES

Contracts have been exchanged under which Hawley Goodall Group is to purchase 75 per cent of the capital of Amser Hamdden, which operates two restaurants and a 10-bedroomed motels in Wales.

Consideration, payable in 1980, is to be determined by reference to one and half times the pre-tax profit of Amser for 1979, less the deficit, if any, of net tangible assets as at end 1978. The balance of shares may be acquired in 1981 or 1982.

In the 19 months to March 31, 1978, Amser made a loss of £7,191 on turnover of £311,931, and there was a deficit of net tangible assets of £35,253.

Indications are that the position is improving and the Board considers that this acquisition will constitute a "useful extension" to the group's interests, and provide a contribution to the 1979 results.

CAPITAL AND COUNTIES BUYS TWO PROPERTIES

As foreshadowed in the interim statement, Capital and Counties Property has acquired two further properties in Greater London.

In Fulham it has entered into a partnership with Fulham Pottery for redevelopment of part of the Fulham Pottery, New Kings Road to provide 33,200 sq ft of air-conditioned offices. It is anticipated there will be strong demand from tenants.

At Merton, the company has contracted to buy the Sleepeezee factory, Morden Road, Merton, for £1m as part of its policy to upgrade its investment portfolio. The factory is let on long lease with seven year rent reviews to Sleepeezee.

MacMillan Bloedel pulls out of Reed's Canadian auction

BY ANDREW TAYLOR

MacMILLAN BLOEDEL, Canada's largest forest products group, has pulled out of talks with Reed International over the sale of Reed's 87 per cent stake in its loss-making Canadian paper subsidiary.

Talks with other interested Canadian groups are continuing, says Reed, which has mounted a multi-million pound disposal programme in a bid to reduce its heavy borrowings.

Reed's share price initially tumbled 10p yesterday but recovered somewhat with the assurance that negotiations with other prospective Canadian purchasers were continuing. Last night Reed's shares closed at 157p—down 4p on the day.

MacMillian said that it had been "unable to find a basis for making an offer" but declined to elaborate further.

In the last eight months Reed has raised just over £90m through disposals overseas—including £27m from the sale of its joint venture interests in Canada. It had hoped to dispose of its remaining major Canadian interest—the 87 per cent stake in Reed Paper—by the end of this year.

Major disposals by Reed this year include its:

● 80 per cent stake in its Australian holding company for £25.4m;

● a 63 per cent stake in Nampak, the South African packaging concern, for £39m;

● and raising a further £27.3m from the sale of its British Columbia joint venture interests.

MR. LACEY GOES INTO BROOKE TOOL

Mr. Graham Ferguson Lacey's private investment vehicle Birmingham and Midland Counties Investment Trust has acquired 1.15m ordinary shares (23.08 per cent) in Brooke Tool Engineering Holdings.

Brooke, which has a turnover of £4.8m, is showing signs of recovery after several years of losses during the earlier part of the decade.

Prudential Assurance owns 7.3 per cent of the shares with Imperial Group holding a similar amount. At the year end 24 per cent was in the hands of Menteith Investment Trust.

In June Brooke raised £0.5m through a rights issue.

BROOKE BOND IN £1M TAKEOVER

A SUBSIDIARY of Brooke Bond Liebig is to pay £1m for Glaxo's wholly-owned Kenyan subsidiary Murphy Chemicals (East Africa).

Kenyan Exchange Control has approved the acquisition by Brooke Bond Leibig Kenya which is 88 per cent owned by the British parent.

Murphy Chemicals manufactures and markets pesticides and agricultural chemicals for local and export markets. Brooke Bond said that the acquisition complemented the group's agricultural activities in Kenya, and marked a further stage in the development of its Kenyan subsidiary.

L & G setting up Australian base

Legal and General Assurance has created a new holding company in Australia, called Legal and General Assurance Holdings (Australia) as a wholly owned subsidiary. This is the first step in the group's move to establish a resident operation in the country.

A new operating subsidiary has also been set up—Legal and General Insurance of Australia—to which all general insurance business will be transferred from the Australian branch. The company is wholly-owned by the Australian holding company.

Joe Palmer, head of L and G's international operations, said the development was in line with the group's policy to domesticate its overseas operations once they had attained a sufficient size to be viable as separate entities.

L and G is currently negotiating with the statutory authorities for the domestication of its Australian life business.

DUNLOP

Soil-less Cultivation Systems, a pioneer in nutrient film technique hydrophonics has joined the Dunlop Group.

SCS was acquired on October 31 for £30,000 cash, and is now affiliated to Dunlop Irrigation Services.

ASTBURY AND MADELEY

Astbury and Madeley (Hldgs.) is buying Pipeline Controls on January 1 for £100,000 cash.

Turnover for the year ended May 31, 1978, was £576,382 and in the five months to October 31, an increase of 14 per cent has been recorded over the same period last year.

Net assets of £64,006 include freehold premises at cost of £12,203. These have been professionally valued at £35,000.

TRIPLEX FOUNDRIES

Triplex Foundries Group has purchased from LCP Holdings, the business previously carried on by LCP Protective Clothing at Shaw Street, Walsall. Consideration for the fixed assets is £80,000, plus stock at valuation.

This business, which is a manufacturer and distributor of industrial and sports gloves and a wide range of protective clothing, will be carried on by a subsidiary of Triplex—Walsall Protective Clothing.

The acquisition will provide an extension to Triplex interests in this field, giving it a wider coverage for the protective clothing and industrial safety wear markets.

CRODA DEAL COMPLETED

Croda International's agreed $6.15m (£3.1m) acquisition of Richardson Ink Co. of Chicago has been completed after receiving clearance by the relevant government authorities in the U.S.

Richardson will form the U.S. printing ink subsidiary of Croda, and will be known as Croda Inks Corp.

Kerridge Construction sale

Kerridge Construction has concluded negotiations for the sale of its non-construction subsidiaries and properties surplus to trading requirements for a total of £650,000.

The proceeds of the deals are being used to eliminate bank borrowings and to improve its working capital position. As a result of the sale, its bankers have agreed to lift the debenture and other charges on the company's assets.

Also in a management reorganisation, Mr. Don Jary has been appointed as managing director and holding company appointee to the Board. Mr. Michael Carlton will be resigning as a director. Kerridge Construction Holdings, the present parent company, purchased Kerridge Construction, a private company, in October 1977 and Mr. Bryan Sanderson, then managing director of John Laing International, moved over to become managing director and chairman of Kerridge. He remains as chairman.

The directors believe that, in the light of the present satisfactory order book, the removal of these non-trading assets combined with the injection of funds and the management reorganisation, better secures the company's future.

The most recent accounts of the company, which employs some 600 people in the Cambridge area, show a turnover of £19m for the 16 month period to April 1978.

Westminster Property declines to £4,000 in first six months

Pre-tax profit of Westminster Property Group came out at £4,000 for the half-year to March 31, 1978, compared with £31,000, giving earnings of 0.01p per 20p share against 0.5p last time.

To the profit for the period of £51,000 (£74,000) was added £37,000 (£168,000) profit on property sales, plus development costs £126,000 (£64,000) recovered by transfer from capital reserve, making £204,000 (£306,000). Interest for the six months took £200,000 (£275,000) leaving the pre-tax figure. There was no tax charge (same).

The directors say the figures comprise of income from investments, development, dealing and trading profits and include results of developments in the Algarve and Lisbon, Portugal.

There is no dividend again, the last payment was a 0.67p net final for 1973-74.

Interest continues to depress earnings, but negotiations in hand for the sale of about one-half of the vacant premises at the Bloomsgrove estate in Nottingham, will with other proposed sales, reduce interest substantially.

Property sales have held up well in the Algarve and the office development on the Avenida da Liberdade, Lisbon, should be completed by July, 1979.

Various parties have shown interest in the acquisition of the building following completion, the directors add.

It is estimated that results for the year to September 30, 1979, will benefit by these sales.

Discussions, announced on August 22, on a possible acquisition by the company in exchange for shares, are somewhat protracted, the directors state, but negotiations are continuing and a further announcement will be made as soon as possible.

Montagu Trust U.S. bonds

Holders of Montagu Trust's 9½ per cent U.S. $ bonds 1985 are advised by the group to retain the bonds pending a further announcement.

The move comes shortly after the announcement that Sedgwick Forbes and Bland Payne, whose immediate holding company is Montagu Trust, were in merger talks.

There are about $9m of the bonds in issue. They were first issued in 1971 when Montagu Trust was a quoted company, before it became a part of the Midland Bank group.

SHARE STAKES

Cakebread Robey and Co.—Supplementary to an announcement regarding acquisition of 17½ per cent of the company's voting shares, the beneficial owner of the shares was the estate of the late Mr. H. G. F. Groves.

Sirdar—Mrs. J. M. Tyrel, chairman, notified company that a trust of which she is trustee disposed of 48,794 shares.

Plessey—The company advises that the following have been granted options to purchase: Mr. F. K. Chorley 19,900 ordinary shares, Mr. B. F. Willetts 39,200 and Mr. W. J. Stoheimer 5,000.

Westpool Investment Trust—Sun Life Assurance Society now holds 500,000 shares (6.45 per cent).

Airfix Industries—Mr. G. V. Hoare sold 20,240 ordinary shares and 1,440 7½ per cent unsecured loan stock.

John Foster and Son—The company has been advised that Vantona Group purchased 50,000 Ordinary shares on November 22 and a further 50,000 Ordinary shares on November 23, making total holding 986,667 Ordinary shares (17.08 per cent) of the share capital.

Lex Service Group—Mr. V. Benjamin sold 39,000 Ordinary shares.

Trafalgar House—Kuwait Investment Office disposed of 50,000 Ordinary shares leaving an interest in 9,472,000 (5.93 per cent).

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

It was a thin week for bids and deals, but on Thursday GEC announced that it had made an £83m approach to Averys, the electro-mechanical and precision engineers. The move, part of GEC's long-term strategy to diversify into the electronic and industrial systems fields, could lead to an offer of 225p cash for each of Averys shares. Other approaches which may lead to bids were announced by Lloyds Insurance broker Brentnall Beard and by Lidstone, owners of a butchers' chain; Brentnall's shares have risen 8 on the week to 44p and Lidstone's 75 to 170p.

Elsewhere, Matthew Hall has extended its range of services to the mining and material handling industries by acquiring Barnsley-based Qualter Hall from British Steel Constructions (Birmingham) for £1.7m cash.

Doreen Holdings, the Dublin-based ladies' fashion and retail stores group, is buying the retail fashion chain Joan Barrie for £1.4m, mostly in cash. Joan Barrie has 30 outlets in the Midlands and North West and Doreen hopes that its manufacturing operations will benefit from direct involvement in the UK.

Northern Goldsmiths, the retail jewellers, has made an agreed offer to acquire, for an initial consideration of £330,000, bookmakers PTS (Manor House). Additional monies will become payable if the consolidated pre-tax profits of PTS and its subsidiaries exceed £100,000 for the year ending next March 31.

United Biscuits has purchased assets of the Leeds-based food manufacturer and distributor Rakusen Group for an undisclosed consideration from Rakusen's receiver. The assets consist of the lease and machinery of Rakusen's West Park factory and the trade names Bonn and Rakusen.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc'tce date
Prices in pence unless otherwise indicated.						
Bambergers	77§§	74	88	7.60	Intl. Timber	—
Cedar Hldgs.	28*	25	19	9.6	Lloyds & Scot.	—
City of Aberdeen Land	103½*	100	87	0.93	Scot. Western Trust	—
Compton Sons & Webb	71	74	73	12.06	Vantona	—
Haggas (John)	205‡‡‡	193	181	25.62	Dawson Intl.	—
Kean & Scott	10*	26	12	0.04	Unknown	—
Midhurst Whites	48*	48	47	3.60	NV Wereldhave	—
Midland Educational	150*	236	120	2.10	Pentos	21 11
Midland Educational	245¼§§	236	230	3.43	A. Preedy	—
Myddleton Hotels	300*	295	215	4.41	Ladbroke	—
Plantation Hldgs.	64*	64	64	12.89	*Multi-Purpose*	—
Randalls	116§§	109	95	2.93	Whitecroft	—
Sabah Timber	68§	65	34	11.76	Harrisons & *Crosfield*	—
Tridant Group Printers	100*	100	84	4.38	Argus Press	29 11
Turner Curzon	8*	8	11½	1.74	S. W. Berisford	—
Warne Wright & Rowland	64§§	64	53	6.59	B. Priest	—
Warwick Eng.	41*	39	40	2.46	Mr. N. Gidney	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

Offers for sale, placings and introductions

Torday: Placing of 22 per cent of equity at 150p.

Scrip Issues

Comet Radiovision: One for three ordinary.
J. Haggas: One for six ordinary.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Airfix Inds.	Sept. 30	848	(1,110)	1.372	(1.229)
Armitage & Rhodes	Sept. 30	167	(106)	1.0	(Nil)
BPB Inds.	Sept. 30	17,731	(14,921)	4.2	(3.8)
Brady Inds.	Sept. 30	4	(60)	Nil	(1.75)
Brasway	Oct. 31	216	(81)	1.0	(Nil)
BP	Sept. 30§	292,000	(314,400)	—	(—)
Burtonwd. Brwry.	Sept. 23	879	(764)	1.5	(Nil)
Brickhse Dudley	Sept. 30	1,170	(800)	0.869	(0.778)
Chamberlin Phipps	Sept. 30	1,510	(1,240)	1.019†	(0.9)
C.H. Inds.	Sept. 30	387	(453)	0.83	(0.75)
Craig & Rose	June 30	117	(91)	2.1	(2.1)
Crosby Spring	Sept. 30	413	(214)	0.24	(0.218)
Dawson Intl.	Sept. 30	6,600	(5,651)	3.0	(1.739)
Downing & Co.	Sept. 30	1,050	(900)	—	(—)
Elliot (B.)	Sept. 30	3,740	(2,020)	2.75	(2.5)
Ewer (George)	June 30	602	(424)	—	(—)
Fine Art	Sept. 30	1,231	(1,151)	0.9	(0.8)
Giltspur	Sept. 30	2,020	(1,033)	1.2	(1.0)
Hargreaves Grp.	Sept. 30	2,440	(2,012)	1.45	(1.3)
Hicking Pentecost	Sept. 30	350	(216)	2.8	(2.335)
Howard Tenens	Sept. 30	256	(504)	0.823	(0.823)
Jacksons B'ne End	Oct. 14	86	(54)	Nil	(Nil)
Johnson Matthey	Sept. 30	9,179	(10,022)	6.615†	(8.111)†
Marling Inds.	Sept. 30	616	(404)	0.55	(0.5)
Moorgate Merc.	Sept. 30	134	(103)	Nil	(Nil)
Morgan Crucible	Sept. 30§	9,263	(9,200)	—	(—)
Moss (Robert)	Sept. 30	253	(178)	1.116†	(1.0)
Ocean Wilsons	July 31	1,750	(1,500)	1.0	(1.0)
Parkland Textiles	Sept. 1	1,136	(1,014)	1.591	(1.361)
Prop & Reversionry	Sept. 30	626	(505)	2.05†	(2.0)
Racal	Sept. 30	24,320	(19,400)	1.9	(1.7)
Renwick Group	Sept. 30	967	(696)	1.0	(Nil)
Rtledge & Keegan	Sept. 30	206	(152)	1.4	(1.25)
Sangers	Aug. 31	1,010	(815)	1.8	(1.8)
Streeters Gdlming	June 30	249	(370)	Nil	(0.85)
SUITS	Sept. 30	4,528	(3,206)	3.25	(2.26)
Sumrie Clothes	Sept. 30	72	(53)	Nil	(Nil)
S & U Stores	July 31	204	(181)	Nil	(Nil)
600 Group	Oct. 14	5,610	(5,440)	2.07†	(1.85)
Tecalemit	Oct. 6	2,070	(1,680)	2.779	(1.827)
Tranwood Group	July 31	21	(33)	Nil	(Nil)
Trnsparent Paper	Sept. 30	311	(510)	1.879	(1.68)
Turnbull Scott	July 31	459‡	(203)‡	4.0	(4.0)
UKO Intl.	Sept. 30	1,771	(1,307)	3.2	(2.93)
Wallis Fashion	Aug. 12	356	(53)	1.0	(0.25)
Watson (R. Kelvin)	Sept. 30	281	(218)	1.21	(1.1)
Westbrick Prods.	Sept. 30	344	(135)	1.27	(0.5)
Wheway Watson	Sept. 30	421	(287)	0.45	(0.35)
Whitbread Inv.	Sept. 30	1,468	(1,361)	1.65†	(1.477)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Including special dividend due to change in tax rate. ‡ Trading profit. § Nine months. ‖ Net income.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Avon Rubber	Sept. 30	4,414	(5,417)	48.5	(68.4)	10.357	(9.275)
Brown (Matthew)	Sept. 30	3,541	(3,100)	11.5	(12.9)	4.377	(3.92)
Carr (John)	Sept. 30	2,670	(2,520)	9.0	(6.5)	1.047	(0.915)
Comet Radio	Sept. 2	6,310	(3,800)	16.5	(10.7)	3.613	(2.843)
Fenner (J. H.)	Sept. 2	9,060	(8,410)	20.8	(16.9)	7.48	(6.7)
Greencoat Props.	June 30	217	(4,630)L	0.3	(—)	Nil	(Nil)
Leeds Dyers	Sept. 30	1,102	(1,008)	10.1	(9.2)	1.689	(1.512)
Muirhead	Sept. 30	2,140	(1,590)	22.2	(15.5)	5.076	(3.705)
Nat. Comcl. Bkg.	Sept. 30	67,385	(64,095)	14.2	(13.4)	2.94	(2.633)
Stag Line	Oct. 31	619	(636)	28.0	(29.0)	5.0	(11.4)
Tomkinsons Cpts.	Sept. 30	406	(252)	15.3	(5.8)	4.187	(3.75)
Utd. Wire	Sept. 30	1,310	(1,590)	9.1	(11.9)	5.227	(4.69)

Rights Issues

M. L. Hldgs.: Three for ten at 125p.
Yorkshire Spinners: Three for five at 28p.

ISSUE NEWS

Milletts Leisure offer pitched at 110p

Details were announced yesterday of the offer for sale by retailing group Milletts Leisure Shops.

The offer of 1,707,360 ordinary share of 20p each is pitched at 110p each where the prospective p/e is 10.55 fully taxed, or 6.03 on the expected tax charge, and the yield (annualised) is 7.7 per cent. Underlying assets are 93p a share.

Milletts operates some 88 shops selling middle to lower ranges of leisurewear, camping and sports equipment, jeans, rainwear, industrial clothing and footwear.

Apart from this Milletts chain, there are around 150 other Milletts shops operated by members of the Milletts family, which have no business connections with Milletts Leisure Shops.

In 1908 the first Milletts shop was opened by Mr. Max Millett—uncle of Mr. Alan Millett, this company's chairman. Since then several members of the family have entered the retail trade and the number of independent chains has snowballed.

Milletts is coming to the market with a forecast of pre-tax profits of over £1m on sales in excess of £12m.

The offer includes 700,000 of new shares raising £530,000 for the company after costs of the issue. This will provide extra working capital.

County Bank has handled the issue and brokers are W. I. Carr. Full details will be published on Monday.

Provident Life to enfranchise B shares

Provident Life Association of London is proposing to give full voting rights to the present "B" ordinary shareholders and to abolish the distinction between the "A" (voting) and the "B" (non-voting) ordinary shares.

The ordinary share capital now consists of 2,550,000 "A" ordinary and 1,950,000 "B" ordinary. These will be replaced by a single class of ordinary share with full voting rights.

To compensate the "A" ordinary shareholders for the dilution of their voting rights, the board is recommending a scrip issue of one new ordinary share for every 10 "A" ordinary shares held at the close of business on December 8.

These new shares will not rank for the interim dividend payable on January 1, 1979, but otherwise will rank pari passu.

At present, 50.45 per cent of the "A" ordinary shares are held by members of the Profumo family and 25.78 per cent by Winterthur Swiss Insurance Company. Outside shareholders account for only 15.06 per cent. If the proposal is accepted the number of ordinary shares issued will be 4,755,000 of which 40.88 per cent will be held by members of the Profumo family, 25.46 per cent by Winterthur and 26.06 per cent by other shareholders.

The Board consider that enfranchising the "B" ordinary shareholders — which conforms with modern practice regarding voting rights — will be to the advantage of all ordinary shareholders in that it will create a larger single market for their shares.

The proposals are subject to the approval of "A" and the "B" ordinary shareholders at separate meetings on December 29, 1978.

Abbey launches gilt and fixed interest trust

Abbey Life, through its unit trust arm Abbey Unit Trust Managers, is launching a new authorised unit trust, the Abbey Gilt and Fixed Interest Unit Trust. This fund, as its name implies, will invest in UK gilts and other fixed-interest stocks. The aim is to provide investors with the opportunity to benefit from the high returns available on fixed interest stocks arising from the current high rates of interest.

Unit trust groups have been very unenthusiastic about establishing gilt funds, because the income received, being unfranked, is taxed at the corporation tax rate of 52 per cent. But unit trusts receive favourable treatment on capital gains and Abbey considered this to be a useful feature.

The investment managers will therefore design the protfolio so that the income is not received direct as interest payments by indirect capital appreciation. This means acquiring gilts shortly after they go ex-dividend and selling again before the next ex-dividend date. The managers also feel that by going into the fixed interest market now, the fund will be favourably placed for the capital gains that will arise when interest rates start to fall back. The initial offered income return is only 3½ per cent.

The initial offer price is 100p per unit and the minimum application is for 1,000 units. The charges are an initial 5 per cent, together with an annual management charge of ¾ per cent.

Abbey Life will shortly be issuing a gilt fund to which the life bonds and regular savings plans can be linked.

Quest Fund package for the expatriate

An investment package designed to attract the UK expatriate has been put together by C. T. Bowring (Insurance) Holdings, as one of the shareholders in Quest Fund Management (Jersey). In conjunction with Lloyd's Life, the new Quest Lloyd's Life Insurance Plan offers the expatriate the choice of three methods of investment into three Quest offshore funds.

The investor can make a lump sum investment through a Single Premium Bond, make regular savings over a long period through the Ten Year policy, or save regularly over shorter periods through the unique One Plus Plan, by effecting each month a separate single premium policy. There are facilities to consolidate these bonds into one contract, if the number held becomes excessive.

These plans cater for both the expatriate who is only overseas for a short period and those who are continually working overseas.

The investor has a choice of three funds—the Sterling Fixed-Interest fund investing primarily in UK fixed interest stocks, the International Bond investing in overseas fixed-interest media such as Eurobonds and Eurodollars, and the International Securities, investing in world-wide equities.

The funds are managed by the Royal Trust Company of Canada, another shareholder of Quest. The other two shareholders are Electra Group Services and M. W. Marshall Investments. The plans are underwritten by Lloyd's Life.

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	Apr. Vol.	Apr. Last	July Vol.	July Last	Stock
ABN	F.370	2	10.50	—	—	—	—	F.370.50
AKZ	F.25	—	—	8	6.20	10	7.70	F.29.10
AKZ	F.27.50	—	—	—	—	10	5.60	"
AKZ	F.30	5	1.20	15	5.20	10	3.70	"
AKZ	F.32.50	50	0.40	—	—	1	2.70	"
AKZ	F.35	—	—	15	1.30	—	—	"
ARB	F.70	—	—	—	—	5	9.20	F.75.50
ARB	F.78.90	4	3	—	—	—	—	"
BK	$70	10	[illegible]	—	—	—	—	$59½
FXC	$25	—	—	—	—	1	2¾	$24½
GM	$60	—	—	10	1⅝	—	—	$56
HO	F.32.50	2	3.50	5	5.50	—	—	F.34.20
HO	F.35	16	1.80	—	—	5	5	"
HO	F.37.50	7	0.80	27	3	—	—	"
HO	F.40	—	—	17	2.10	22	3.20	"
HO	F.45	—	—	5	1	12	2	"
IBM	$260	14	6	6	14	10	18¾	$271¼
IBM	$300	4	1	—	—	—	—	"
KLM	F.130	48	5	2	11	—	—	F.129
KLM	F.140	11	3	1	7.20	5	11	"
KLM	F.142.90	10	2.50	—	—	—	—	"
KLM	F.150	—	—	7	4.90	15	8	"
KLM	F.152.40	5	0.70	—	—	—	—	"
KLM	F.160	—	—	10	3.10	5	5.50	"
NN	F.110	—	—	10	7.40	—	—	F.110.60
NN	F.120	—	—	9	3.50	—	—	"
PHI	F.25	70	0.80	61	1.90	51	2.50	F.24.60
PHI	F.27.50	—	—	5	1.10	—	—	"
PHI	F.30	5	0.20	30	0.60	—	—	"
RD	F.120	—	—	11	10.60	—	—	F.124.70
RD	F.130	4	1.50	7	4.20	24	6.50	"
S	$20	—	—	3	3⅛	—	—	$21½
UNI	F.110	—	—	—	—	2	15.50	F.122.10
UNI	F.120	3	4.50	10	6.70	—	—	"
UNI	F.130	10	0.40	—	—	—	—	"
XRX	$50	3	5⅛	—	—	—	—	$54¼
XRX	$60	6	¾	—	—	—	—	"
		Feb.		May		August		
BA	$60	1	11	10	13¼	—	—	$69⅝
BA	$70	16	5⅛	50	8¾	—	—	"
		Dec.		Mar.		June		
SB	$20	—	—	—	—	5	5⅛	$21¼
TOTAL VOLUME IN CONTRACTS						796		

APPOINTMENTS

Quality director for Racal-BCC at Wembley

Dr. Jack Barrett has become a non-executive director of R. H. COLE—the holding company of the R. H. Cole Group. He was formerly director of research and development of Monsanto and retires this year from its Board. He has been a member of the British Library Board since its formation in 1973 and is chairman of Info-Line, a new British company formed to develop and operate a UK on-line information centre providing a computer-based retrieval service to users in this country and overseas. He is also president of the Institution of Information Scientists; chairman of the chemical divisional council of the British Standards Institution; and scientific adviser to the Flour Milling and Baking Research Association.

★

Mr. Alan J. Hutchings, who recently retired as investment manager of Imperial Group Pension Funds, has been appointed a non-executive director of WGI, the Wilmslow-based engineering group.

★

Mr. Malcolm Mackey has been appointed UK assistant marketing director for SEATRAIN UK.

★

The LIFE ASSOCIATION OF SCOTLAND announces that **Mr. R. H. Chiswell** has been appointed life manager.

★

Mr. Ian F. Cordial, a director of Patons and Baldwins, is the new chairman of the BRITISH HANDKNITTING ASSOCIATION. He succeeds **Mr. Ewart Carter** who died earlier this year.

★

Because of the pressure of his duties as chairman of the Fibres Division of ICI, **Mr. John Lister** has resigned from the board of TIOXIDE GROUP. His place has been taken by **Mr. Christopher Hampson** who is general manager—planning of ICI at Millbank.

★

Dr. J. Molengraaf has been appointed managing director of the HOLVRIEKA GROUP, Emmen, Holland.

★

Sales director, **Mr. John Neaves** of Scan Data International's mini computer turnkey subsidiary Scan Computers, has become managing Haywards Heath, West Sussex, director of SCAN COMPUTERS.

★

Communications equipment manufacturers, RACAL-BCC, has appointed **Mr. Barry Southwell** as quality director, at the factory in Wembley. He joins Racal after 30 years' Army service. Starting as an apprentice tradesman he joined REME and passed through Sandhurst, later becoming a Lieutenant Colonel and a principal quality officer in the Ministry of Defence electrical quality assurance directorate. Racal-BCC is a manufacturing division of Racal-Tacticom.

★

Mr. John T. Fogarty has been appointed a senior vice president of CITIBANK, N.A. He continues as managing director and chief executive officer of Citicorp International Bank, London.

★

Mr. Paul Smythe has been appointed financial controller of the SPOONER GROUP of companies, based in Hull. Mr. Smythe has joined the group from Norwest Holst.

★

Mr. D. C. Pimlott has been appointed secretary of COURTAULDS, from February 1 in succession to **Mr. C. J. Cornwall** who is leaving the group on February 28 to take up another appointment.

★

Mr. Michael Portlock, managing director of Creators, has joined the Board of GRIFLEX PRODUCTS. **Mr. David Warren**, managing director of Griflex, joins the Board of CREATORS. Both companies are members of Plascoat International, who represent the plastics interests of Imperial Group.

★

Mr. John G. Pettifer has been promoted technical director of SIMON-CROFTSHAW, maker of solvent recovery plant, Long Melford, Sudbury, Suffolk. He was previously technical manager. **Mr. Roy J. Tripp**, company secretary, has been appointed director and secretary. The company is a member of the Simon Engineering group.

★

Mr. F. A. Cokayne, brands director, Courage Brewing has been appointed to the Board of HARP LAGER (SALES) in succession to **Mr. T. P. Durie**, recently appointed chairman and managing director, Courage (Western). Mr. Cokayne joined Courage in 1975 from the Co-operative Wholesale Society where has was advertising and promotions manager (food division).

★

Mr. H. N. Steele, at present deputy chief accountant, finance division, MIDLAND BANK, has been appointed chief accountant, finance division, from December 1 in succession to **Mr. H. B. Thompson** who is retiring.

★

Mrs. R. J. Davidson has resigned from the Board of ESTATES AND GENERAL INVESTMENTS.

★

As from December 1 **Mr. Jack Hoyle** has been appointed managing director of J. AND J. FEE, builders and contractors, Southowram, Halifax, and will assume full responsibility for the company. **Mr. Clifford Fee** will become chairman and **Mr. Peter Fee**, vice-chairman.

★

Mr. N. G. W. FitzGerald has joined the board of AULT AND WIBORG as managing director of the container and coil coatings division.

★

Communications equipment manufacturers, RACAL-BCC, has appointed Mr. Barry Southwell as quality director, at the factory in Wembley. He joins Racal after 30 years' Army service. Starting as an apprentice tradesman he joined REME and passed through Sandhurst, later becoming a Lieutenant Colonel and a principal quality officer in the Ministry of Defence electrical quality assurance directorate. Racal-BCC is a manufacturing division of Racal-Tacticom.

★

Mr. John Sparrow has joined the board of MATHER AND PLATT, as a non-executive director and is to become chairman on January 1. He is a director of Morgan Grenfell and Co.

★

Mr. John Tisdall has been promoted to assistant director of BBC NEWS and Current Affairs. At present he is editor of BBC TV Current Affairs, and takes up his new post on February 1, following the retirement of **Mr. Andrew Todd**, deputy director of BBC News and Current Affairs, in January.

★

Mr. William F. Distler has been named president of the AMAX MOLYBDENUM division and Climax Molybdenum Company, a division of the U.S. company Amax Inc., from December 1. He will be responsible for all molybdenum activities.

★

Mr. David Hughes has been appointed group marketing director, MULTITONE ELECTRIC COMPANY. Before joining the company, he was general manager of Data Recording GmbH in Dusseldorf, a subsidiary of Data Recording Instrument Company, which he joined in 1969 from International Computers.

★

Mr. Philip Wilkinson, general manager of National Westminster Bank's related banking services division, has joined the board of ULSTER BANK, Belfast. **Mr. Douglas Edge** has retired as a director of the Bank.

★

Mr. R. R. Pulman has been made managing director of the transport and engineering division of UNIGATE. **Mr. T. Eggerdon** has been appointed managing director of Wincanton Garages, which embraces all Unigate's garage interests.

★

Prof. A. H. Thornton has taken over the responsibilities of the independent chairman of the NATIONAL JOINT INDUSTRIAL COUNCIL FOR THE HOSIERY TRADE, following the retirement of **Mr. George Lowthian** due to ill-health. The NJIC is comprised of representatives of the National Union of Hosiery and Knitwear Workers and the Knitting Industries' Federation, and its activities affect over 100,000 hosiery workers.

★

Mr. J. Michael Mason has joined the Board of FAIREY HOLDINGS as a non-executive director. He is a director of Redman Heenan International. Prior to joining RHI in 1972, Mr. Mason was group financial director of Spear and Jackson International, and before that financial planning controller of Associated Portland Cement Manufacturers.

★

Dr. Alan Hayes, currently a deputy chairman of ICI Pharmaceuticals Division, has been appointed chairman of the company's Plant Protection Division. He succeeds **Dr. Charles Reece** who has been appointed a director of ICI's main Board. Both appointments take effect on January 1.

BOOKS

Boz on way

BY C. P. SNOW

Charles Dickens and his Publishers by Robert L. Patten. Oxford, £15.00. 502 pages

Dickens and Charity by Norris Pope. Macmillan Press, £8.95. 303 pages

Dickens and Phiz by Michael Steig. Indiana University Press, $12.50. 340 pages

These three books, like 90 per cent of the best Dickens scholarship, come from the other side of the Atlantic. The same is true of the best Trollope scholarship. I needn't continue about scholarship on other English writers. What is happening to us? Is this another sign of our loss of energy? It takes real energy to carry out serious investigations into literary history. It must have taken obsessive energy, sustained over years, to produce a work as masterly as Robert Patten's *Dickens and his Publishers*.

There have been fine textual editions of Dickens' work by the Franco-American collaboration of Sylvère Monod and George Ford, and from Oxford in the Clarendon edition. But Patten's book is probably the biggest contribution to the study of Dickens's life since Edgar Johnson's biography. It doesn't suggest any major changes in that marmoreal work, which is substantially untouchable, but it fills in a good many crevices, particularly in the last years of Dickens's life, and deals with the career of Dickens as literary professional with a detailed expertness which Johnson didn't attempt.

Patten seems to know everything there is to be known about Victorian publishing. Much of it was, by our standards, remarkably amateur or primitive. It was only just finding its forms, and extemporising as it went along. The accountancy of Edward Chapman, the publisher of *Pickwick*, was incompetent enough to puzzle Dickens, and even now it drives Patten, who is good-tempered but precise, into suppressed irascibility. But they were all trying to reach a public, and make money, by any method they could invent—such as serials in monthly instalments, serials in weekly instalments, serials as features of magazines, one-volume editions, cheap editions, three-volume editions for libraries.

Dickens tried them all. He soon decided that it was best if he had total control of any publishing operation. The publisher was to be friendly, and do what he was told. That was the perfect way to work. It made for Dickens the biggest literary earnings of his time, and large profits for his publishers.

As well as all else Dickens was a splendid business man. It is difficult to think of any occupation at which he would not have been a success. Actor, politician, administrator, entrepreneur, publishing, anything you like, he could have been a star. He had the extraordinary combination of demonic energy, puntilious care, imaginative insight, down-to-earth practical sense.

"Mr. Guppy's entertainment"—one of the illustrations by Phiz for "Bleak House"

Patten produces his first full statements of his literary income, and also of his expenditure. Both were formidable. Without exception, all the major Victorian novelists made a handsome income and lived a more than comfortable upper middle-class existence. Dickens, who had a knack for over-doing things, outdid them all. In his last decade, he was living at the rate of about £12,000 a year. Multipliers are misleading, but in modern terms that would mean at least £100,000 a year, net of tax. He still left an estate of over £90,000 and provided suitably for his dependents.

Patten is interesting on the curve of Dickens's literary reputation, as on everything else. Already in his lifetime, Dickens was written off by the Leslie Stephen and others, whose frigid opinions filtered down to Bloomsbury and for many years to the academic world. Then, thanks to some of the great irregulars, G. K. Chesterton, Humphrey House, the Tillotsons, Edmund Wilson and others, there was belated admission into academic respectability. With the singular result, according to Patten, that he is now read by intellectuals but is being written off by students. There isn't a more elegant example of the comedies of literary opinion than that.

Patten's book doesn't need praise. It is simply there, standing beside Johnson's in its own right.

The other two would be worth more than a few words, in a normal Dickens book-review. *Dickens and Charity* is in the same vein as Philip Collins's *Dickens and Crime*, not as brightly written, but sympathetic and well-informed, especially on Dickens's relation to Evangelical movements. *Dickens and Phiz* is the work of a writer with an acute visual sense, who does justice to Hablot Browne, and makes us see that Dickens owed a lot to him. The book raises the whole subject of illustrations in Victorian fiction.

Grand old men

BY B. A. YOUNG

Indirect Journey by Harold Hobson. Weidenfeld and Nicolson, £7.50. 280 pages

A-sitting on a Gate by Ben Travers. W. H. Allen, £6.50. 195 pages

Can You Find Me? by Christopher Fry. Oxford, £5.95. 267 pages

Sir Harold is the grandest, with his confessed ambitions to be a knight and a fellow of his college at Oxford, both of which he has become. But his book isn't grand, it is modest and rather private, the theatre brought in only like the illuminations of a fine manuscript. No doubt the great authoritative work will follow.

We his fellow-critics all believe from time to time that Sir Harold has gone off his head, but he maintains that his judgments, however unorthodox, have all been totally predictable to anyone who knew him. His life has been very extraordinary and very admirable. He contracted polio as a little boy and was educated out of books that his parents brought in from the public library. He got himself to school, and to Oxford by determination and what can only be called genius.

If luck ever entered his career it can only have been on the occasion when the proprietor of the Sunday Times, disgusted by James Agate's private life, appointed Hobson to succeed him. He has had a happy and successful life, buoyed up by a perfect marriage, and his book reflects it all.

Ben Travers is the oldest. At a party for his 90th birthday, he climbed up on a chair to make a speech. This autobiography appears just after his 92nd, and contains a presage of a new play yet to be produced. Mr. Travers has written an autobiography before, 20 years ago; but having read that one doesn't enable you to skip any of this one, for he is compulsively readable. His immense charm is the concern only of his friends, but it glows through his writing as invitingly as the distant candle in Portia's window; and his talent for instant portraiture is rivalled only by Tolstoy (a writer who I suspect he finds dull).

He skates through his youth, his short career in the tea industry in the East, in publishing at the Bodley Head, as a First World War pilot in the RNAS, with dry, economical wit before expanding into his predestined life as a writer of comedy for the theatre. His sudden re-emergence after what looked like a long, happy retirement is one of the great boons of our time.

Mr. Travers appends a list of a few of his favourite things (women, Irish stew, Rubens, Cox's Orange Pippins and so on). I find I go along with almost all of them, and this is no doubt partly why I find his writing so companionable. Only partly, though; I like quite a lot of his listed dislikes. Ben Travers is clearly a man for all men, not to mention all women.

Christopher Fry is the most modest. He is only about 12 at the end of *Can You Find Me?* ("About 12" is as near as you can get; the narrative leaps around in time between about 1851 and about 1920, but sends probes either way to 1700 and 1958.) It is a jigsaw look at his relations of the previous two or three generations, all of whom are painstakingly charted in a couple of family trees at the end of the book. Even so, a totally unrecorded cousin, Hugh Linsell, appears on page 243, though only to note his death in the war.

Attention is chiefly given to Mr. Fry's mother (Mrs. Hammond: the Fry bit is a second Christian name, Christopher's grandmother having been a Fry, though not from the Quaker family), her mother and father, her sister "Aunt Ada" and her brothers Bert, Hal and Charlie.

I wish I could have found them more interesting. I've no doubt they *were* interesting, especially the brothers, who emigrated to Canada and Australia. Hal joined the Mounted Police and had battles with Indians. Bert and Charlie, amazingly, made their uncertain living in the young Australia (a country much favoured by Frys) as artists.

But there is so little information available. Mr. Fry's principal sources are family letters and Aunt Ada's diary, most of which is filled with complaints about her health. He has some help from his mother's recollections, though her memory was faulty, and his own early memories of life during the First World War.

Eight for eternity

BY ALEX de JONGE

The Realists by C. P. Snow. Macmillan, £6.95. 224 pages

Anyone who has to read a lot of the stuff in the line of duty must, unless he loves punishment, soon conclude that most books of literary criticism these days, packed with information and judgment though they may be, seldom entertain. One comes away from them with a sense of virtue fulfilled, perhaps, but quite without the feeling that the pleasure principle has been invoked. However, the example of C. P. Snow's *The Realists*, shows that this is not necessarily so, leading one to conclude that the trouble with most literary criticism today is that it is the work of academics who approach their subjects as teachers and readers, and not as writers.

On the face of it a collection of essays about the major European novelists of the age of realism, including Stendhal, Balzac, Dickens, Dostoevsky, James and Proust, but omitting Flaubert, George Eliot and Turgenev *int. al.* suggests that the luckless reader will be taken down a well-trodden path. But well-trodden or not it is a pleasure to take it in the company of a critic who is himself a novelist and who loves the books he writes about.

Admittedly he maintains in his introduction that realistic novels have much to teach us about the world. This may be true in the limited sense that we can pick up information about the France of Balzac's time by dint of reading Balzac. However it is fascinating to see that C. P. Snow himself rapidly ceases to pursue truth of that kind in his essays: no historico-sociological set of insights emerge at the end of his eight studies and this because he understands that the lessons to be learnt from reading great literature cannot be formulated neatly at the end of eight essays. The truths that great books have to offer is contained in their tone and texture, the colour they impart to experience, all of which escapes the coarse-meshed net of historians or sociologists.

The Realists does not try for a framework into which all the authors in question can be slotted, instead the author gives us a series of brief lives combined with critical discussion of the major works. The formula works very well, partly because of C. P. Snow's very personal angle of vision as a biographer, one which brings old and familiar episodes—Dickens in the blacking factory—very much alive. He approaches his subject as a novelist in his own right with a novelist's eye for importance and for detail. There is considerable and always wise and revealing discussion of the sexuality of his subjects.

Stendhal's sexual timidity has been treated often enough before, if seldom so well, but Balzac's talent as a lover, Dostoevsky's uxorious passion, have never been brought out to such effect. Along with this the author is fascinated by writers' routines, their rhythms of work, the tidiness of their desks, and also displays a healthy interest in the number and quality of the persons attending their funerals.

The criticism itself is always rewarding. It is founded in robust common sense which has no truck with over-ingenious interpretations. As Nabokov might have put it "The Viennese delegation can stay away" as can Marxists, structuralists and other purveyors of pretentious nonsense. But along with common sense we find insights that only a novelist could provide; witness his outstanding discussion of the plot of *The Brothers Karamazov*. The book is written in a strangely stumbling style and this paradoxically imparts a kind of conviction; not the language of a natural critic and man of letters it is very much the work of someone who cares passionately about his subject and is determined to get to grips with it despite the awkward linguistic tools at his disposal. The result is both entertaining and rewarding.

I have only one reservation. There are a number of misspelt proper names; Stendhal's mistress, one of his characters, a character of Balzac's, two of Dostoevsky's, which are, I hope proof-readers' errors, but nonetheless their presence casts the faintest shadow over the authority of the author's voice both as critic and biographer.

Trevor Humphries

Bishop Muzorewa: a sorry tale

Bishop's move

Rise up and Walk by Bishop Abel Muzorewa. Evans, £6.95. 289 pages

Bishop Muzorewa writes: "The Zimbabwe war of Liberation . . . is a last response, taken in self defence, when all non-violent methods have been tried and spurned by our oppressors. That is why I am a freedom fighter . . . I cannot sit smugly and passively in the comfort of my home while my people are being tortured to death, shot down, or bombed."

His book is the story of his life. It has now been banned by the government of which he is a prominent member. Those particular words—and the bulk of the book—were obviously written before the Bishop, and his two black colleagues Rev. Sithole and Chief Chirau, signed their agreement with the Rhodesian Prime Minister last March. But the fact that he has allowed them to stand, even though there is a last chapter dealing with the "major breakthrough" of the so-called internal settlement, serves to underscore the poignancy of the autobiography as a whole.

What, one wonders, does Bishop Muzorewa feel about the bombings and shootings of "freedom fighters" which have taken place since March? And how does he really feel, as the prospect of elections and a real handover to black rule under the March agreement recedes daily, about Mr. Ian Smith, whose "tricks of deceit" and "intransigence" he so roundly berates in the tales of his earlier efforts to negotiate with the Rhodesian leader? He doesn't tell us, but for anyone concerned about the current prospects for Rhodesia the Bishop relates—however inadvertently—a sorry tale.

For the Bishop personally it is in a sense a tragic story. He emerges as politically naive—he was, after all, only called to political leadership because other more practised politicians had been jailed (by the White government). But following his sudden rise to political prominence in 1972 he strove to give honest and impartial leadership to the deep-felt African opposition to minority rule and he later tried hard to patch up the old divisions between the two main nationalist parties and their factions.

But his book shows only too clearly how the task was beyond him and how he, in his turn, has become enmeshed in those same destructive divisions which now promise to lead (in Andrew Young's phrase) to a "black on black" civil war.

Muzorewa apportions the blame for African disunity fairly equally between his politician rivals and the Presidents of Tanzania, Zambia and Mozambique. He accuses President Kaunda of self-righteousness, President Nyerere of interfering and Machel (and the others) of partiality. He is especially bitter about Joshua Nkomo, veteran leader of the Zimbabwe African People's Union, both for attempting to take over the Bishop's "own" African National Council and, later, for breaking away from it. But he fails to see that there might also be a mote in his own eye.

He does not unfortunately give us new insights into what has gone wrong, though his pages provide plenty of evidence that personal antipathy in the quest for political power is a major cause of disunity. So too is the book's anti-hero, Ian Smith, who is described as "a master of playing one group off against another."

The title page of the autobiography states, without further explanation, that it has been "edited by Norman E. Thomas." This may perhaps explain a sudden gap in the narrative, which leaves unrecorded the long year between the failure of the British-sponsored Geneva Conference and the Bishop's own decision, last December, to negotiate with Mr. Smith. Those negotiations are described in detail—and are twice termed a breakthrough. Perhaps it was the editor's fault, but I put the book down feeling that Muzorewa himself remains unconvinced that breakthrough has really been achieved.

BRIDGET BLOOM

Fiction

Hitler in Liverpool?

BY MARTIN SEYMOUR-SMITH

Young Adolf by Beryl Bainbridge. Duckworth, £3.95. 174 pages

Song of Solomon by Toni Morrison. Chatto & Windus, £5.95, 337 pages

The Unmade Bed by Françoise Sagan. Translated from the French by Abigail Israel. Aidan Ellis, £4.50. 208 pages

"I am not very good at fiction," Beryl Bainbridge has written: "It is always me and the experiences I have had." One sees what she means; eschewing the "well-made novel" entirely, she "takes off," in her first seven novels (this is the eighth), from some personal experience, and "free-associates from it—the result is usually a semi-lyrical, whimsically morbid, series of impressions.

Beryl Bainbridge's novels cohere best when they are short. In such a novel as *The Bottle Factory Outing*—she worked in a bottle factory—we get, despite dollops of derivative Joycean interior monologue and other familiar devices, a genuinely tragi-comic single vision, a view of life from a peculiar and interesting temperament.

It is a minor achievement. Ms Bainbridge comes nearest, in style, to A. L. Barker and the unjustly neglected Affleck Graves (no relation to Robert Graves). But she is not as confident as either. One hoped that she would attain such a confidence, by purging herself of influences now fashionable, and concentrating increasingly on the *meaning* of the way she looked at the world by looking at it with more intensity.

One still hopes it. But *Young Adolf* goes in an entirely different direction, and one that is—I believe—quite wrong for her. This is so despite the fact that some of the writing is lively, original and delightfully observed—although Ms Bainbridge should not allow whimsicality to become a habit, or imagine that it can prove a true substitute for the responses of her own sensibility.

In 1912 Adolf Hitler is supposed by some to have fled to Liverpool in order to avoid military service. His half-brother Alois lived in Liverpool, where he was a waiter and, possibly, a razor-blade salesman (part-time). Certainly Hitler did try to avoid conscription (he was eventually rejected at Salzburg in February 1914, on the grounds of poor health), but it is unlikely that he ever went to Liverpool. But that does not matter, and there is no objection to creating a novel around the theory that he did so.

Ms Bainbridge's *Young Adolf* is such a novel, and it contains a wealth of documentary detail and for all that it is unobtrusively inserted. This indeed is one of the features of the novel that is, in a technical sense, best managed, even if one feels that some of the information (such as that Hitler's favourite author was Karl May, creator of Old Shatterhand) is so obvious as to be irrelevant.

In *Young Adolf* we are presented with a Hitler suffering from "culture-shock," he is subjected to the schemes of various eccentric Edwardian Liverpudlian characters, and eventually goes off—having been obliged to grow a moustache—leaving the impression that he "will never amount to anything" despite his "strong will." The evil genius of the novel is Alois, whose petty criminal identity—we are I think supposed to infer—Hitler takes over for use in a wider arena.

Young Adolf is interesting. But it consists of two separate novels, neither of which come off. The world of the exile Alois, certainly no part of Ms Bainbridge's experience (and she needs this), is far too self-consciously conceived as black comedy: the characters—such as hairy Mary O'Leary—are too contrived, and have no more life than the stock characters of a sophisticated radio show. And the author's Hitler is far too obviously the mythical failed picture-postcard artist.

To begin to understand Hitler one must try to understand why an Austrian of his particular origins should have hated his country. Instead the author is trying to make a connection between English (or at least Liverpudlian) totalitarianism and the Nazi holocaust. She is not intellectually well enough endowed to do this in a fictional form. But she is accomplished; this has been a brave try even if in the wrong direction and *Young Adolf* deserves consideration from the highest standards: as the work of a serious writer.

The black American writer Toni Morrison was for many years an editor at Random House. Her first two novels made little impression. But *Song of Solomon* has been compared to Ralph Ellison's *Invisible Man* and to *Roots*, and one reviewer in America wrote "The first two-

Toni Morrison: novel of black experience

thirds . . . are merely wonderful; the last 100 pages are a triumph." This is hysterical, and does no service to the author. Ellison's novel is probably a masterpiece, whereas *Roots* is good soap-opera which had the merit that, in TV form, it drew people's attention to an injustice of which they were all too often unaware.

The author has had her black experience, and this must be respected; but although this book centres on the life of a black property owner called Myron Dead, it is in reality a piece of skilfully contrived American Gothic. As such it is excellent. But comparison with Ellison is dangerous, since it immediately reveals the novel as pretentious.

Françoise Sagan's already best-selling *The Unmade Bed* is yet another tale of a love affair between bored and boring people. It is somewhat redeemed, as her novels always are, by elegance and a chic style. There is also, here, a fumbling towards some kind of psychological penetration; but Mme. Sagan comes up against the usual stumbling-block presented by her characters: there is little in them to penetrate. One's final impression is of wasted lucidity: all the excellently observed detail ought to add up to something, but it just doesn't.

Glory that was

BY JOHN THEOCHARIS

The Wound of Greece by Philip Sherrard. Rex Collings, £5.00. 128 pages

The book is small, but the theme massive. The living destiny of Greece is an enigmatic fusion of a miraculous heritage, a tormented history and the great challenge of the modern world. How is this reflected in the writings of Greeks themselves?

Most of the essays in this stimulating collection have been published before, but, brought together, they imply that something has gone wrong with the development of Greece, and of Western culture as a whole.

In his admirably lucid introduction (which has served an equally valid purpose in an earlier book) Dr. Sherrard explains how the reality of Ancient Greece, with its "wholeness of literature and life" was falsified through imitation. Once the culturally rootless Hellenistic cities adopted the externals of Greek culture, a long and distorting process of idealization started which brought about the fatal severance of art and life, still plaguing Western Society. Only towards the end of last century was it suspected that Greece had never been a lost paradise and that "behind the Apollonian poise, dark Dionysiac forces were at work," the irrational elements in man which classicism had suppressed.

The theme of that "wholeness of art and life" runs through the essays on four major Greek figures starting with a problem poet.

Kalvos (born in Zante in 1792) published twenty fiery Odes of great lyrical beauty — a Pindaric hymn to the Greek War of Independence — and then his genius burnt itself out. He married an English headmistress in Lancashire, and for over forty years, until his death, he wrote not a verse. Dr. Sherrard draws an interesting parallel with Thomas Gray, suggesting that both poets—a century apart — failed to fuse together the contrary impulses of genuine romantic passion and classical formality. The thesis is brilliantly illustrated, although Kalvos's lofty prosody and diction defy translation.

For a model of "wholeness," the author rightly goes to the untutored son of a shepherd: General Makriyánnis, a fearless fighter in the War of Independence, a tragic figure of uncomprising honesty. His ideas, feelings, actions and words were one. Even his decision to teach himself to write (when he was in his 30s) sprang from an expressive and practical need. His Memoirs — a bulky, almost illegible manuscript, ignored for half a century — are a superb testament of language, humanity and Greekness. The imposition on the newly formed Greek State of "borrowed ideas from Western Europe" was anathema to him. Those "systems" had no organic relationship to Greek life, and, material benefits apart, they cut the people from their traditions.

To compensate for this loss, Sikelianós was the poet who, this century, and in almost audible agony, turned again to Ancient Greece—"where poet, priest and prophet were one person," only to rediscover the Oriental antecedents of Greek culture. After all, both Apollo and Dionysus were immigrants! Dr. Sherrard writes so eloquently about Sikelianós that one regrets that he has not assessed his poetic achievement.

The title of the book echoes Seféris's famous line "Wherever I travel, Greece wounds me." The tragic essence of the ancient world and the anguish of the modern meet and fuse in Seféris (Nobel, 1963), who is presented here as a simple, direct, unaffected—and therefore we can assume "whole"—human being. "Seféris's life was a long study in learning to be human." This essay is a tribute to an admired friend, written after the poet's death in 1971.

One often forgets that Greece has had no Renaissance, no Age of Reason. She's had to run to the 20th century before she could walk. There are chasms in the Greek soul and yet, in spite of whatever degree of cross-fertilisation, Greece still retains certain ancient qualities. There are pages in Thucydides that are as painful as recent historical events. There is a tragic feeling about the optical illusion of a landscape. A sense of destiny, a love of freedom, an exhilaration, a familiarity with death. Is this due to the sea, the light, the soil?

Philip Sherrard who spends part of the year in Euboea will know better than most that there is a certain wholeness of life still to be found in Greece, though not in the ugly ripples of concrete choking the Acropolis. Perhaps there is a moral there somewhere.

Crimes in short—booby-traps, skulls and boffins

The last two weeks of Georges Rivac by Geoffrey Household. Michael Joseph, £4.95, 188 pages

When secret agents or private eyes get caught up in murders and kidnaps that's all in the day's work and they know what to do. When amateurs suddenly find themselves outside the law and in terrible danger it isn't and they don't, so there's much more chance of our identifying with them. Thriller-writers, please note. Georges Rivac, half French and a quarter each Spanish and English, lives a mild trilingual businessman's life in Lille after childhood in a village in Bucks. With feet thus in several camps he gets involved in Iron Curtain espionage and finds himself on the run.

This isn't another *Rogue Male*—it lacks the claustrophobic intensity of bide-out and loneliness—but it has the same qualities of excitement, detailed physical accuracy, and the sense of other people's "real life" impinging on that of the fugitive: the non-espionage life that makes spies and agents feel such sad, know-all outsiders.

ISABEL QUIGLY

The Empty House by Michael Gilbert. Hodder and Stoughton, £4.50. 221 pages

Peter Manciple, junior insurance adjuster, is sent to North Devon to investigate the death, apparently accidental, of Alexander Wolfe, scientist working at the Biological Warfare Research Station at Exmoor.

Unsure of whom he can trust among the motley collection of characters — elderly archaeologist, Irish expert on Lorna Doone, dubious solicitor, guest-house keeper with a talent for DIY—assembled in that part of Devon, Peter Manciple, who has a personal problem to solve as well as a duty towards his employers, takes to the moor.

Michael Gilbert's plot is original, ingenious, up-to-date and extremely well worked out. As a bonus, fascinating details of genetics, insurance assessment, property conveyancing and the geography of the Doone Valley are thrown in. And the passages on Exmoor recall, not in any literal sense but in their feeling for the strict neutrality of nature as opposed to man, that classic of all pursuit-thrillers, John Buchan's *Thirty-nine Steps*; if there is higher praise than that, I don't know it.

ELIZABETH FORBES

The Book of Skulls by Robert Silverberg. Gollancz, £4.95, 222 pages

A novel that has all the first appearances of being just another racy book—with four impetuous American students darting across the States—quickly becomes fantastical, if not macabre.

Eli, a young student, discovers an old, forgotten manuscript which he translates. It seems to offer immortality to anyone who gains admission to the sect which produced the work, called The Book of Skulls.

Aspiring candidates must offer themselves in groups of four. Two people pass the test. The third must commit suicide and the fourth must be killed.

Since it seems there is little else offered to adventurous youth during vacation, Eli persuades his three room-mates to search for the sect in the Arizona desert. They arrive at the Skull-house (after passing through the occasional bar and whorehouse) and volunteer as candidates. It is hardly comforting for them to discover during their trial that should any one of them leave, the others lose their lives.

Robert Silverberg's entrance into thriller-writing from his established realm of science fiction is, by all accounts, a successful one: an unusual plot with a surprise ending, vivid characters; a crisp, well-paced writing style.

COLLEEN TOOMEY

هكذا من الأجل

Why Shetland is trying hard to land its own fish limit

BY LESLIE ABLE

HARD TIMES in the fishing industry have added vigour to Shetland's aspirations for greater autonomy within the UK. The Shetland Council wants to make a direct approach to the European Commission in the interests of its fishermen and fish processors.

The purpose is to seek greater protection for them in Shetland waters, not only against competition from other Community countries but also against other Scottish and British fishermen.

Since Shetland is part of the UK, its relations with the EEC are handled by London. But both the Council and the fishermen and processors feel that it is worth making the attempt to go direct to the Commission at a moment when a Community fisheries policy is as far off as ever.

Shetland wants a 50-mile limit around its shores tied to a licensing system which would give preference to local boats. Such a proposal would apply to all other regions. There also is growing pressure in favour of a 12-mile zone reserved exclusively for the local boats within that 50-mile limit.

Monthly landings by the Shetland fleet of about 1,000 tonnes of white fish are the very minimum needed to give the inshore crews a realistic livelihood and the 11 processing factories sufficient work to prevent lay-offs and even closures. Landings since May have been well below this figure. Over the past two weeks a scarcity of fish and bad weather have meant that almost nothing has been landed.

The plight of the processors is particularly grim with some factories having to import Canadian herring to stay in business but only with a low profit margin. Almost all of them are existing on bank overdrafts at interest rates of 16 per cent in the hope that there will be a glut of fish next week, next month or the month after. Two factories closed earlier in the year. There seems little doubt that unless there is a rapid improvement others will go the same way. As happened in the local knitwear industry, once a factory closes it rarely reopens.

Mr. Finn Gundelach, Common Market Fisheries Commissioner, who was due to visit Shetland in November to discuss its problems, called off the visit because of other commitments. The Council has in turn asked if it can send a special delegation to meet him in Brussels before the end of the year.

It has also sent a telegram to Mr. Bruce Millan, Secretary of State for Scotland, stressing the gravity of the situation and asking for an urgent meeting to discuss the crisis. The council is anxious that the Government's temporary employment subsidy for the fish processors should be continued into next year.

Mr. Jack Burgess, the Council's director of research and development, said that although the Council would prefer to continue negotiating through the UK Government and the Scottish Office it must put Shetland first. For that reason direct talks with Brussels might be the answer.

"This is the worst spell for some time," he said. "The boats are just not getting the landings they expected at this time of the year. Unless the pressure can be taken off the fishing grounds by some method of restricting numbers there will never be a solution. The inshore boats are having a particularly bad time. We feel we are at the receiving end of everything and everybody."

Mr. Burgess said an attempt must be made to get some sanity into the catching side before any benefit could come to the processors. Over-fishing had not been helped by limitations imposed on British boats by Iceland and Faroe. As a result more boats now fished in Shetland waters. He added that the council was considering proposals which would give some financial aid to the processors.

With oil-rich Shetland now possibly one of the costliest areas in Britain in which to live, nobody can afford to be unemployed for too long. The processors fear that once workers are laid off, they will never return, having found better-paid jobs in the oil industry.

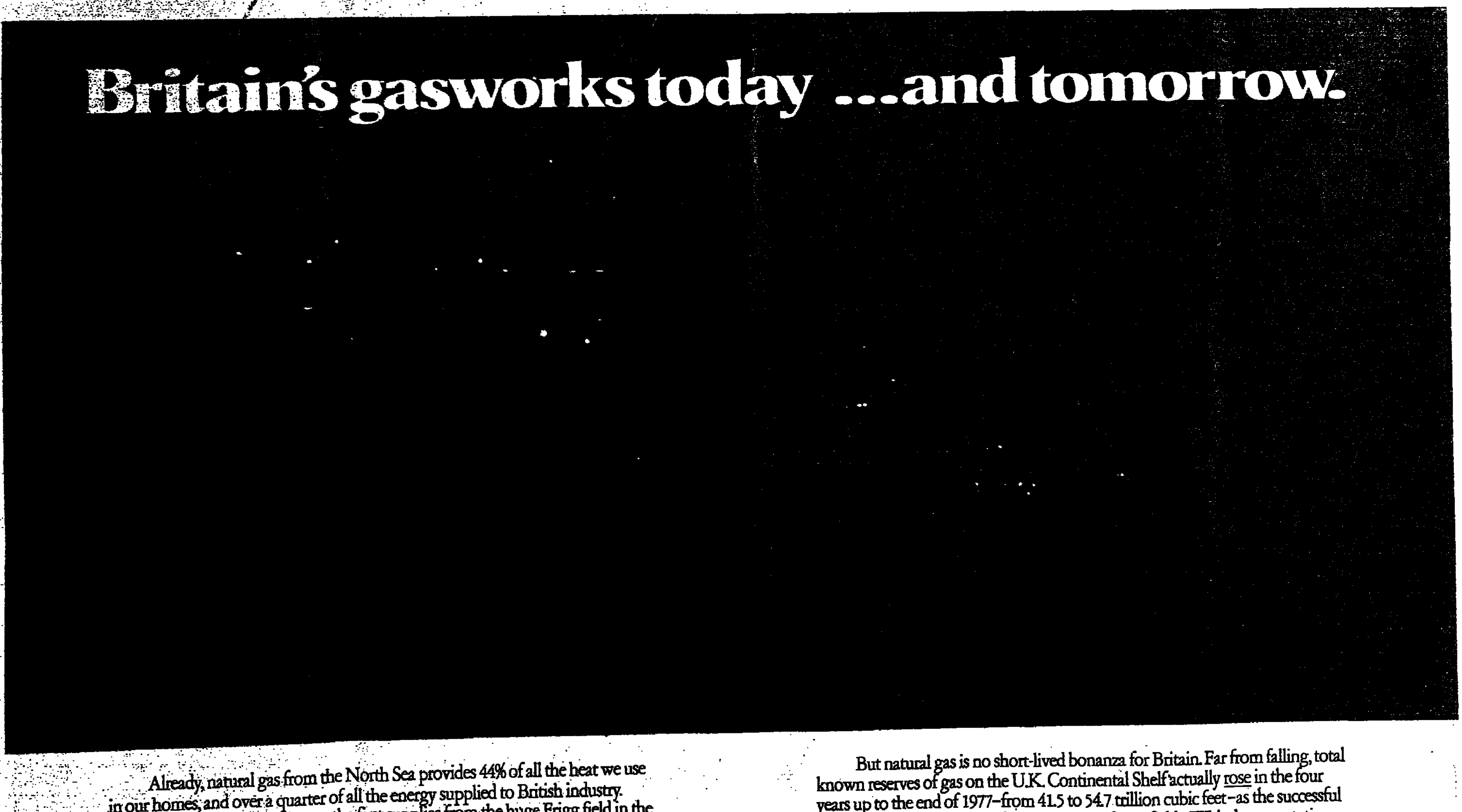
Mr. Arthur Nicholson, vice-president of the Shetland Fish Buyers' Association, said with all the millions it now had invested from oil money the Council should be offering loans at low interest rates to allow the processors to stay in business. "Shetland's basic industries are dying, and nothing is being done about it," he said. "What we need is a conference on the economic future of Shetland when the council can tell us just what it intends doing with all the money."

While the Shetland mainland might be able to survive a fishing slump the economy of its main fishing island, Whalsay, would fall apart. The population of just over 1,000 is almost totally dependent on the fishing industry. There is no other work available and the island is regarded as the home of the Shetland fleet. All the men have shares in the boats they crew. Some of the younger men are borrowing heavily to finance new purse netters being built in Norway in readiness for the re-opening of the North Sea herring grounds.

A growing number of Shetlanders believe that with more autonomy, such as the Faroese enjoy, the islands would be better placed to solve their own problems. The plight of the fishing industry will be a powerful argument advanced in favour of more self-government when a Royal Commission on Shetland's constitutional future takes evidence next year.

With support for the Shetland Movement, a pressure group for more autonomy, gaining momentum it would seem that the already fiercely independent Shetlanders are unlikely to be satisfied with anything less than some devolved status. They believe that oil revenues would provide the necessary financial basis.

A grim time for Shetland's fishermen—scarcely a fish has been landed for two weeks.



WORLD STOCK MARKETS

Further early sharp gains

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—78½% (78%)
Effective $1.9380 33% (33½%)

FURTHER SHARP gains were scored on Wall Street yesterday, when the Stock Market was encouraged by the drop in the money supply reported on Thursday, which gives hope the Federal Reserve won't have to be as stringent in its efforts to stem money growth through tighter credit policy.

Closing prices and market reports were not available for this edition.

By mid-day the Dow Jones Industrial Average moved up another 7.97 to 807.00, reducing its loss on the week to 3.12. The NYSE All Common Index, at $53.45, gained 56 cents on the day and also one cent on the week. Advances led declines by a six-to-one margin, while the trading volume expanded 4.04m shares to 14.19m compared with noon on Thursday.

The pace of prime rate increases eased as Citibank held its key lending level unchanged at 11½ per cent. Rising interest rates are generally bearish for stocks.

Additionally, analysts noted, the dollar was firmer against a number of currencies, particularly the yen.

IBM climbed $2 to $271¾, Smith Kline $2¼ to $93, NCR $1¾ to $60⅞, Digital Equipment $1¼ to $49⅜ and Teledyne $1⅞ to $98⅛.

Polaroid gained $2½ to $50⅜ and Eastman Kodak $1½ to $59¾, both in active trading.

Volume leader Boeing climbed $2½ to $71⅛—Deutsche Lufthansa AG placed a DM 840m order for 32 Boeing 737/200 jet aircraft.

Union Pacific jumped $2 to $54¼—a Federal Court upheld its claims to mineral rights under old Federal Land Grant Properties.

Federated Department Stores rose $1⅛ to $22⅜ on a raised quarterly dividend.

UAL gained $1 to $32 in active trading, while National Airlines put on $½ to $30¼ on a 22 per cent rise in November passenger traffic.

Petroleums were strong. Exxon were up $⅜ to $49⅞ and Texaco $⅛ to $24½, both in active trading.

THE AMERICAN SE Market Value Index gained 1.43 to 149.82, making a net rise of 1.23 on the week. Trading volume expanded 373,000 shares to 1.79m.

DCL Inc. put on $⅝ to $4⅛ in active trading—it agreed to a merger with Greyhound's Greyhound Computer Unit at $3 a share.

Placer Development added $⅛ at $22½—it acquired a British Columbia silver property.

CANADA—Prices were broadly and sharply higher in active mid-day trading in response to Corporate news and a rising New York market.

The Toronto Composite Index rose 6.1 to 1,275.9, Metals and Minerals 8.4 to 1,065.1, Oil and Gas 8.2 to 1,761.1, Utilities 0.61 to 196.86, Banks 0.14 to 303.21 and Papers 2.32 to 149.66. Golds put on 5.1 to 1,254.4.

TOKYO — Sharply higher in fairly active trading, with average closing at a new high of 6,002.74, up 35.31, following strong dollar appreciation. Volume 760m (410m) shares.

Export-orientated Electricals, Vehicles and Cameras led the rise.

Institutions actively bought Steels and Heavy Electricals.

Synthetic Fibres rose in active trading, and Shipping Lines also higher reflecting World Tanker Market recovery.

PARIS—Generally higher. News that France will float a 5bn French franc State Bond had no impact on the market.

Investments, Foods, Buildings, and Printings strengthened.

Banks and Electricals steady.

Stores, Metals and Textiles lost some ground, Chemicals mixed.

U.S., German, Canadian and Oil shares higher, Dutch steady, Golds mixed, Coppers lower.

GERMANY — Prices firmed generally in end-week trading.

Commerzbank eased slightly, although its operating profit for first ten months 1978 matched year ago period. Deutsche Bank gained DM 4.

On Bond Market, Public Authority issues lost up to 60 pfennigs, while Regulating Authorities bought nominal DM 20m of stock. Mark Foreign Loans eased further.

AUSTRALIA—Slightly firmer with Oil in the lead in moderately active trading.

Santos rose 8 cents to A$2.05, as did Bridge to A$1.33.

In mixed Minings, Peko firmed 4 cents to A$5.40 but Pancontinental shed 10 cents to A$9.90.

Indices

NEW YORK—DOW JONES

	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 24	Nov. 22	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
●Industrials	795.95	780.11	804.14	815.84	810.12	807.00	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'meB'nds*	86.41	86.44	86.50	86.71	86.98	86.96	90.86 (4/1)	86.12 (15/11)	—	—
Transport...	212.56	208.71	211.87	215.04	214.60	212.56	261.48 (8/9)	199.51 (9/1)	278.88 (7/2/69)	12.23 (8/7/32)
Utilities......	99.56	99.26	99.30	99.75	99.32	99.46	110.98 (3/1)	98.35 (14/11)	165.52 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	15,920	21,180	22,740	12,780	14,550	20,810	—	—	—	—

* Basis of Index changed from Aug. 24 ● Day's high 808.94 low 786.64

Ind. div. yield %	Nov. 24	Nov. 17	Nov. 10	Year ago approx
	5.83	5.90	5.90	5.40

STANDARD AND POORS

	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 24	Nov. 22	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	105.16	104.01	105.64	106.97	106.59	106.04	118.71 (12/9)	95.52 (6/3)	154.64 (11/1/73)	3.53 (30/6/32)
‡Composite	94.70	94.75	95.15	95.99	95.79	95.48	106.98 (12/9)	96.90 (6/3)	125.86 (11/1/63)	4.40 (1/6/32)

	Nov. 29	Nov. 22	Nov. 15	Year ago (approx.)
Ind. div. yield %	5.23	5.12	5.27	4.84
Ind. P/E Ratio	8.75	8.90	8.64	9.35
Long Gov. Bond yield	8.75	8.67	8.66	7.77

N.Y.S.E. ALL COMMON

Nov. 30	Nov. 29	Nov. 28	Nov. 27	1978 High	1978 Low
52.89	52.33	53.15	53.56	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Nov. 30	Nov. 29	Nov. 28
Issues Traded	1,854	1,870	1,843
Rises	913	257	524
Falls	515	1,261	877
Unchanged	426	352	442
New Highs	2	1	10
New Lows	56	65	32

MONTREAL	Nov. 30	Nov. 29	Nov. 28	Nov. 27	1978 High	1978 Low
Industrial	215.55	212.95	215.66	215.65	222.14 (11/10)	162.90 (16/2)
Combined	220.89	220.06	220.64	220.38	225.61 (12/10)	170.82 (30/1)
TORONTO Composite	1269.8	1265.2	1267.4	1268.2	1552.7 (12/10)	998.2 (30/1)
JOHANNESBURG Gold	221.7	222.5	225.7	228.4	272.0 (14/8)	188.0 (20/4)
Industrial	265.1	264.8	264.8	268.8	281.8 (1/11)	194.9 (15/3)

	Dec. 1	Previous	1978 High	1978 Low
Australia(*)	527.38	525.78	566.79 (22/8)	411.19 (1/3)
Belgium (!)	98.40	98.10	101.16 (8/6)	90.43 (25/6)
Denmark(**)	90.45	90.35	92.95 (14/5)	88.08 (30/10)
France (††)	76.2	76.1	83.0 (4/10)	47.6 (6/2)
Germany(‡‡)	824.20	815.60	865.2 (19/10)	759.4 (17/3)
Holland (§§)	79.6	79.4	95.1 (11/9)	76.0 (4/4)
Hong Kong (¶¶)	500.74	499.43	707.70 (4/9)	385.4 (13/4)
Italy (‖)	70.55	69.65	82.35 (25/9)	55.45 (10/1)
Japan (a)	444.57	442.05	444.57 (1/12)	364.04 (4/10)
Singapore(b)	—	345.65	414.50 (8/9)	252.0 (9/1)
Spain (d)	90.54	90.93	110.76 (9/6)	87.88 (17/3)
Sweden (e)	370.11	367.36	408.00 (3/2)	335.74 (5/1)
Switzerld(f)	285.5	282.3	325.7 (14/2)	261.8 (26/9)

Indices and base dates (all base values 100 except NYSE All Common—50 Standards and Poors—10 and Toronto 300—1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

THURSDAY'S ACTIVE STOCKS

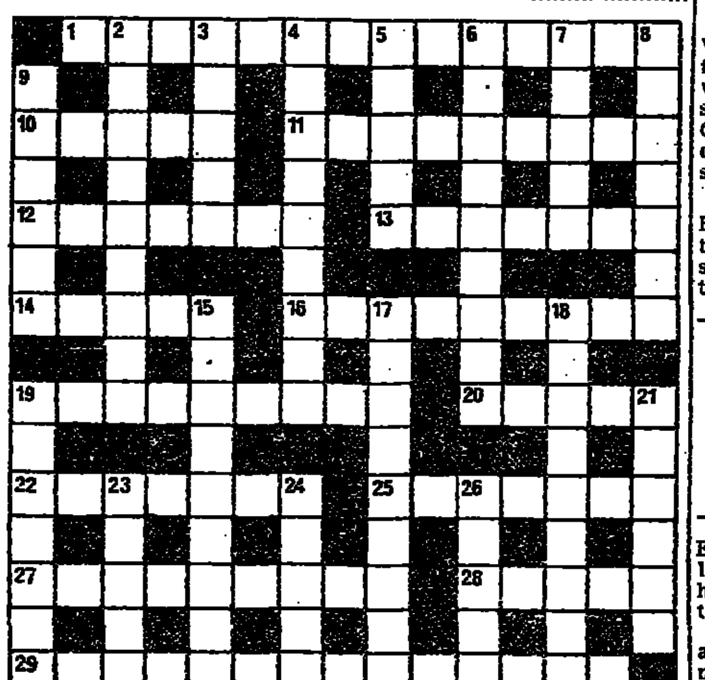
	Stocks traded	Closing price	Change on day
Boeing	353,300	69¼	−3½
Northeast Utilities	281,200	9⅞	−⅛
Champion Intl.	256,500	20	+⅜
Central S. West	218,700	13⅞	−⅛
Texaco	191,000	23⅜	+⅛
Carrier	183,600	24	+⅛
Inco	182,700	15	—
Eucyrus-Erie	175,700	16⅝	—
Sears Roebuck	177,100	21½	+⅛
Bally Mfg.	166,300	41	+2¼

F.T. CROSSWORD PUZZLE No. 3,838

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



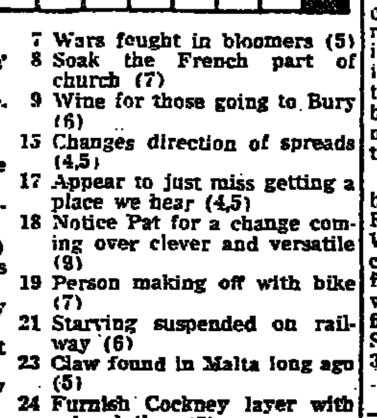
ACROSS

1 Put foot down on directors' act (5,3,6)
10 Message received and understood by boy (5)
11 Spread food on stick (4,5)
12 Brave Virginia left with one social worker (7)
13 Squares just eat in the evening (5,2)
14 Start winning at tennis (3,2)
16 Second room for typist's retreat (9)
19 Near future favoured by schoolboys (5,4)
20 Right everyone—stretch out your hands (5)
22 Scandal abroad taken by storm (7)
25 Knock out No. 10 in apartment block (7)
27 Demanding job with High Commission (4,5)
28 Novel girl for ever showing sign of caution (5)
29 Bellmen expect to use alternatives available (4,3,7)

DOWN

2 Outfit getting over Ring allowed to produce another opera (9)
3 Arterial road starting in good heart (5)
4 See how long board takes to arrange programme (9)
5 Duck takes notice in the day before (5)
6 Work to squash alternative tyrant (9)
7 Wars fought in bloomers (5)
8 Soak the French part of church (7)
9 Wine for those going to Bury (6)
15 Changes direction of spreads (4,5)
17 Appear to just miss getting a place we hear (4,5)
18 Notice Pat for a change coming over clever and versatile (9)
19 Person making off with bike (7)
21 Starving suspended on railway (6)
23 Claw found in Malta long ago (5)
24 Furnish Cockney layer with subscription (5)
26 Turkish commander elected—not for the first time (5)

Solution to Puzzle No. 3,837



SOLUTION AND WINNERS OF PUZZLE No. 3,832

Following are the winners of last Saturday's prize puzzle:

Miss A. Higgins, 97, University Avenue, Belfast.

Mr. R. J. Highman, 198, Mackie Avenue, Brighton, BN18 8SB.

Mrs. W. E. Quayle, Thorsy Lodge, Thorny Road, Douglas, I.O.M.

RACING BY DOMINIC WIGAN

Ramblix looks lively for Chepstow

WITH Market Rasen and Sedgefield already victims of the weather and Sandown likely to succumb, hopes rest today with Chepstow where John Hughes, clerk of the course, plans no inspection.

Ramblix, unable to run at the Esher course yesterday because the meeting was abandoned, switches to this afternoon's fixture for the two-and-a-half-mile Embassy Premier Chase qualifier. It will be fascinating to see how he fares in this, his stiffest test to date over fences.

CHEPSTOW

1.00—My Three Sons***
1.30—Ramblix**
2.00—Atlantic Bridge
2.30—Snowshill Sailor*
3.00—Double Negative
3.30—Irish Prince

If his recent performances are any yardstick to his improvement, the Uplands six-year-old could well continue on his winning ways. Ramblix, successful in his last four races, gave every indication at Ascot nine days ago that he could prove a test for the best once he has gained little more experience and ironed out the occasional jumping error.

Recovering quickly from a blunder at the ninth fence in the Flyover Novices Chase there, the Wrekin Rambler gelding proceeded to jump the remaining fences in the style of a seasoned veteran. At the line Ramblix had five lengths to spare over Bold Saint to whom he was conceding 3lb.

This afternoon two talented and more experienced opponents in Jan Stewer and Space Project seem certain to ensure that Fred Winter's charge is given his most searching test to date over fences. My idea of the chief threat to Ramblix is the Josh Gifford-trained Jan Stewer, who finished a close third behind My Friendly Cousin and Flashy Boy in the Kirk and Kirk Chase over three miles at Ascot last time out in spite of several errors.

Whatever his fate with Jan Stewer, Gifford, so often among the winners here, should take at least one prize, for he also fields My Three Sons in the opener, the Philip Cornes Hurdle Qualifier, and Roadhead in the Ladbroke Betcha Hurdle.

The first-named kept on extremely well to run the heavily-backed Mister Bosun to three lengths in a division of Ascot's Bingley Novices Hurdle last time out, and is given a confident vote.

Heath opens print centre

A 1M PRINTING centre for Scottish and Universal Newspapers, the weekly paper group owned by Scottish and Universal Investments — was opened at Irvine, Ayrshire, yesterday by Mr. Edward Heath.

The plant, which is equipped with computerised photo typesetters and a Goss Urbanite colour press, will print all the company's titles in Ayrshire and West Strathclyde.

NEW YORK

CANADA

GERMANY

PARIS

AUSTRALIA

TOKYO

STOCKHOLM

BRUSSELS/LUXEMBOURG

VIENNA

AMSTERDAM

JOHANNESBURG

SPAIN

COPENHAGEN

BRAZIL

SWITZERLAND

MILAN

OSLO

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

INTERNATIONAL CAPITAL MARKETS

German bank holds operating profit

FRANKFURT, Dec. 1.

COMMERZBANK, one of West Germany's leading commercial banks, reported that its operating profits in the first ten months have kept pace with those of last year, despite the burden of extra pension provisions.

It gave no profit figures, but said that with industrial credit demand remaining weak, it was paying more attention to the sharp rise in public sector borrowing, as well as increased credit to private customers and lending abroad.

On the liabilities side, Commerzbank said it had acted to widen its long-term financing basis to take account of increased demand for longer term credits.

In this connection, the volume of savings certificates issued by the bank rose by about 30 per cent since the beginning of the year to DM 2.14bn at the end of October.

The bank said that it had continued to expand its foreign network and was currently preparing to open a branch in Hong Kong, an agency in Atlanta, a merchant bank in Singapore, and a representative office in Toronto.

Despite persistent pressure on interest rates at home and abroad, interest margins in the first ten months were on average only around one twelfth below the year-ago level.

With business volume sharply higher, the bank's interest surplus on credit, money market and securities business totalled DM914m ($474m) in the first 10 months, up by 7.1 per cent from the same period of 1977.

The credit volume was DM 34.18bn against DM 27.5bn.

Meanwhile, Berliner Handels- und Frankfurter Bank, BHF-bank, said it is confident of declaring satisfactory earnings this year after 1977's parent company net profit of DM34.3m.

Billerud hits trouble after Uddeholm merger

BY WILLIAM DULLFORCE

STOCKHOLM, Dec. 1.

BILLERUD UDDEHOLM, the pulp, paper and board group put together through the merger of the Billerud company with Uddeholm's forest industry divisions in August, is in financial trouble. Mr. Gunnar Hindemark, the managing director, admitted at a Press conference yesterday that Billerud had miscalculated cost and profit developments when it made its takeover decision.

At the moment Billerud Uddeholm is running at a loss of SKr 4m ($900,000) a week and has forecast a pre-tax loss of SKr 200m for 1978. The losses will continue into 1979. The contributing factors, according to Mr. Hindemark, are the delay in the market upswing, too small price increases, the decline in the dollar exchange rate and the running-in problems the company has experienced with its big, new, cardboard factory at Skoghall.

On Wednesday the Board of directors appointed a team including trade union representatives to make a quick analysis of the situation. It also decided to approach the Government. There have been suggestions from the unions that Billerud Uddeholm should join forces with ASSI, the state-owned company. ASSI, however, is itself running in the red and forecast last month a 1978 pre-tax shortfall of over SKr 300m.

Mr. Hindemark said he hoped that Billerud Uddeholm would be able to resolve its problems itself but at yesterday's Press conference it was evident that the management and the unions are divided over this question. Billerud indicated earlier this year that the merger could result in the loss of about 800 jobs. It now wishes to lay off considerably more workers, while the unions want the company to seek state capital to make "offensive" investments.

New setback for state participation in Dassault

BY DAVID CURRY

PARIS, Dec. 1.

THE CHAPTER of misadventure associated with the French Government's attempts to take effective control of the aircraft manufacturer Dassault-Breguet is continuing. The latest stumbling block is the refusal of the National Assembly's Finance Commission to approve the acquisition of a 21 per cent stake (with double voting rights) in the military aircraft maker as part of the budget legislation now going through Parliament.

The Gaullists have insisted, instead, that the Government should prepare a report giving details of its financial support of and orders placed with the whole aerospace sector and setting out the reasons for the taking of control of Dassault. It should then present a Bill authorising the acquisition.

Almost 18 months ago, the government announced that it would take control of Dassault and set up a holding company to co-ordinate the activities of Dassault and the predominantly civil aviation state-owned company Aerospatiale. It even appointed a chairman of the new holding company.

But although state appointees have been put on to the Dassault board, nothing has been heard of the holding company and nothing seen of the chairman, leading to suggestions that Prime Minister M. Raymond Barre's post-general-election Government may have bandoned the idea of an overall sectoral restructuring.

● EFCIS, the French micro-circuitry company, has signed a second sourcing agreement with Standard Microsystems of the U.S., under which the latter will acquire rights to manufacture and market a French-designed controller chip for use in visual display units, writes Terry Dodsworth.

The deal follows hard on the heels of the collaboration agreement between Thomson-CSF, France's main electronics company, and Motorola of the U.S.

$1bn bond issue from France

By Terry Dodsworth

PARIS, Dec. 1.

INDICATIONS THAT the French budget deficit this year will comfortably exceed FFr 30bn, nearly four times more than the original forecast, were re-inforced today with the announcement of a new state loan of FFr 5bn ($1.1bn).

This public issue is the fourth by the government this year. The total raised now stands at FFr 13.5bn with the remainder of the deficit being covered by short term Treasury bonds. The new loan, which carries a coupon of 8.8 per cent, is also the largest to date.

French interest rates have eased significantly in recent months. The first state loan of the year, for FFr 3bn, was pitched at 10 per cent, this being followed by a FFr 2.5bn loan in July at 9.8 per cent and a further FFr 3bn in October at 9.45 per cent.

● The Italian Government is also about to tap its local capital market. The Italian Treasury is to raise L1.270bn ($1.5bn) through the issue to the public of nine-year bonds. Coupon will be 12 per cent and the bonds will be priced at 96.

The funding is being made to finance the deficit of the national welfare institute on unemployment payments in southern Italy. The bonds will bear interest six-monthly.

Further growth expected by AMEV

By Charles Batchelor

AMSTERDAM, Dec. 1.

AMEV, the Dutch insurance group, today reported a continued strong growth of profits and turnover in the first nine months of 1978. It announced a 32 per cent increase in profit to Fl 64.7m ($31m) and forecast a 25 per cent rise in the year as a whole. This would produce net profit of Fl 90m ($45m) compared with Fl 71.4m last year.

Turnover rose 30 per cent to Fl 1.56bn ($746m), half of the increase was caused by the acquisition of Time Holdings.

The results of non-life business in Holland improved slightly and Time Holdings of Milwaukee produced a very good result. Set against these positive factors were a higher tax charge and the need to make a provision to cover the cost of transferring AMEV's operations in Doredrecht to its headquarters in Utrecht.

Turnover on life insurance operations rose 17 per cent in the first nine months to Fl 971m. Non-life insurance turnover rose 67 per cent to Fl 488m while other activities increased 20 per cent to Fl 98m. The insured sum rose by Fl 3bn to Fl 44.5bn.

At Fl 23.7m, profit in the third quarter of 1978 was the highest for any quarter in the past three years, according to figures published by AMEV. The non-life sector made profits in each of the first three quarters culminating in profit of Fl 12.1m in the third quarter. A loss in the final 1977 quarter for this sector more than wiped out small profits in the preceding three quarters.

Apart from the acquisition of Time Holdings, AMEV recently further expanded its international operations by joining four other European insurance companies in a cross-border insured pension scheme for multinational corporations. The other members are Allianz Lebensversicherung of Stuttgart, Royale Belge of Brussels, Eagle Star Insurance of London and Muenchener Rueckversicherung.

Another major Dutch insurance concern, the Rotterdam based Amfas Group, said it had acquired the 50 per cent stake held by OGEM Holding in the Welvaert financing company, taking its stake to 100 per cent. This will strengthen the financing operations of Amfas which are one part of its diversification programme.

United Technologies given go ahead for Carrier bid

BY STEWART FLEMING

NEW YORK, Dec. 1.

CARRIER CORPORATION and the U.S. Justice Department have lost a crucial court battle in their efforts to block United Technologies' $1bn takeover bid for Carrier, the nation's biggest producer of air conditioning and heating equipment.

A federal judge in Syracuse, New York, Carrier's home town, has refused to grant requests from the company and the Justice Department to stop United Technologies from the first stage of its bid, a tender offer for 17m Carrier shares at $28 a share.

The judge has however granted Carrier and the Justice Department a temporary injunction for one week during which they can bring an appeal against his ruling in the second circuit appeals court. This move will stop United Technologies from accepting Carrier shaers by the closing date for its tender of December 4, so the company will almost certainly extend its offer.

The Carrier and Justice Department suits had been combined and alleged that the acquisition by United Technologies violated U.S. anti-trust laws.

The Justice Department alleged that if the two compaines merged to form what would be the 22nd largest U.S. industrial corporation, a monopoly would result. The Department alleged that Carrier is a "significant factor" in the production of control systems for heating and ventilating devices and that United Technologies has subsidiaries which make it a "significant developer" of similar control devices.

It now appears that United Technologies, a company with sales revenues last year of $5.6bn in such diverse activities as jet engine manufacture and elevator production, will be able to proceed with its offer. The Justice Department, however, is likely to pursue the anti-trust case even if United Technologies wins control of Carrier.

Yesterday's defeat of its injunction underlines the difficulty facing the Justice Department in trying to bring U.S. anti-trust law to bear against conglomerate mergers where there is little evidence that the transaction will have a major impact on competition.

Kennecott names new chief

BY JOHN WYLES

NEW YORK, Dec. 1.

MR. THOMAS Barrow today moved six blocks from his Manhattan office as senior vice-president of Exxon Corporation to take on the responsibilities of chairman and chief executive at the headquarters of Kennecott Copper Corporation.

The announcement of the appointment of Mr. Barrow, aged 53, ends several weeks of speculation about a change at the top of America's largest copper producer. Mr. Barrow, whose retirement from Exxon is effective from today, will take over from Mr. Frank Milliken, who will remain chairman of Kennecott's executive committee until he retires at the end of January.

Mr. Milliken had originally decided to delay his departure until next November but a recent Court of Appeals decision on Kennecott's long-running proxy battle with Curtiss-Wright changed his mind. Finding in favour of Curtiss-Wright, the court ordered a rerun of last May's election of Kennecott directors, narrowly won by the incumbent régime against a Curtiss-Wright slate.

Kennecott also revealed today that the court had refused a stay of execution on this order, and that the company had filed this morning with the U.S. Supreme Court for a stay.

Observers will now be fascinated to observe what difference, if any, Mr. Barrow's appointment will make to this bitter battle with Curtiss-Wright. The New Jersey company is trying to use its 9.9 per cent stake to evict the Kennecott Board and replace it with directors dedicated to selling off the company's Carborundum subsidiary and distributing the proceeds to stockholders.

In accepting the appointment, Mr. Barrow was putting aside plans to return to his native Texas after 27 years with Exxon. As head of the oil company's world-wide operations he has recently supervised prospecting which resulted in a major copper find in Wisconsin. He was reportedly reluctant to respond to Kennecott's initial approaches and it is possible that he may not have accepted the job without securing the Board's agreement to a strategy for dealing with Curtiss-Wright.

Kennecott has already offered Curtiss-Wright Board representation, but this has been rebuffed. It has also discussed a plan for Standard Oil of Indiana to take a large stake in the company which would be followed by the sale of Carborundum to the Continental group.

Interviewed after his appointment, Mr. Barrow said today that he had been attracted by the challenge at Kennecott. He indicated that there would not be any substantial change in the direction in which the company is headed.

Sohio sees income rise

BY DAVID LASCELLES

NEW YORK, Dec. 1.

STANDARD OIL (SOHIO), now 52.2 per cent owned by British Petroleum, is finally benefiting in a big way from its large Alaskan investment. The company expects net income this year to be "very large," in relation to the past, and profits next year should grow even more, Mr. Alton Whitehouse, chairman, says in an interview with the Wall Street Journal

This is due almost entirely to oil from the Alaskan North Slope which "will continue to be the biggest factor for many years to come," he said.

Production from the North Slope, where Sohio owns 53 per cent of the Prudhoe Bay oilfield, will be higher next year than this, and its value should also increase since Alaskan crude is tied to world oil prices and will benefit from any increases introduced by the Organisation For Petroleum Exporting Countries. But Mr. Whitehouse stressed that profits needed to be big, considering all the money we borrowed for the Alaskan investment.

COMMODITIES/Review of the week

Supply 'squeeze' boosts lead

BY OUR COMMODITIES STAFF

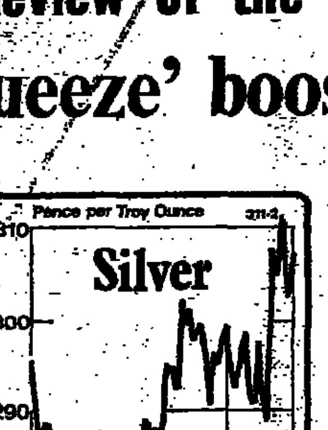
CASH LEAD prices surged to record levels on the London Metal Exchange yesterday following a "squeeze" on supplies immediately available to the market. Last night cash lead was £443 a tonne, £32.75 up on the week exceeding the previous peak reached in October. There was a far more modest rise in the three months quotation, which gained £19.75 to £411.5, and is still well below the record levels of March 1977.

The "squeeze" on cash supplies follows reports of further buying recently by the Soviet Union and forecasts of sizeable shipments out from LME warehouses. This is expected to bring another fall in stocks, which are already at the lowest level since February 1975.

A shortage of supplies available to the market also brought a strong rally in tin. The cash price gained £210 to £7,575 a tonne, despite declining by £35 yesterday on forecasts of a rise in warehouse stocks.

In fact warehouse stocks have moved up substantially in recent weeks from very low levels, but it is believed that a large proportion is already committed for shipment out. The Soviet Union is reported to have been a significant buyer, and consumer interest also boosted the Penang market, which moved up from $M 1,858 to $M 1,936.

Copper prices also rallied, with cash wirebars closing last night £3.75 up on the week at £764.25 a tonne. The market fell earlier in the week but was then lifted by news of a rise in U.S. domestic copper prices and predictions of another fall in warehouse stocks.



However, it was reported last night that International Nickel and the union, whose workers have been on strike at the Sudbury Mines since September 16, are planning to resume negotiations. Sudbury mines produce copper as well as platinum, cobalt as by-products of nickel mining.

Silver prices fell back this week from the peak reached last Friday. The bullion market spot quotation fell to 302.7p at one stage before recovering yesterday to 307.05p, still 4.15p down on the week.

The market has been distorted by an attempt in the U.S. to "squeeze" the spot months in Chicago and New York, rumoured to have been engineered by a large syndicate. This appears to have failed as a result of the downturn in gold bringing a decline in precious metals generally.

The recent cocoa market upsurge ran out of steam this week as manufacturer buying interest evaporated. The March futures position on the London market climbed to a 1978 peak of £2,213.5 a tonne on Monday but a subsequent fall, which included a £40 permissible limit fall on Thursday, left the price £67 lower on the week at £2,119.5 a tonne.

Some dealers said they thought the sell-off had run its course and that the outlook remained firm. They doubted whether producers would follow the market lower.

London coffee prices fell on Monday in a disappointed reaction to the lack of significant developments reported following the meeting of the "Bogota Group" of Latin American producers last weekend. The market recovered gradually but following a renewed fall yesterday January delivery coffee ended the week £23.5 lower at £1,460.5 a tonne.

The "Bogota Group" merely confirmed its intention to support prices through the use of a $140m common fund. The producers also agreed to avoid flooding the market with coffee by staggering export shipments.

Immediately after the meeting, however, El Salvador announced that it had cut its minimum export price, a move which tended to raise doubts about the seriousness of the producers' intentions.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978 High	1978 Low
Metals					
Aluminium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market c.i.f.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Antimony	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copper: Cash Wire Bars	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 mths Do. Do.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash Cathode	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gold per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lead Cash	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nickel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market c.i.f. lb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Platinum per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quicksilver (76lbs.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Silver per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tin cash	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tungsten	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wolfram (22.04 lb.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zinc cash	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Producers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grains					
Barley	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Home Futures	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Maize	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French No.3 Yellow (American)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wheat	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. 1 Red Spring	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Am. Hard Winter (Oct.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eng. Milling (new crop)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spices					
Cloves	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pepper, white	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Black	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oils					
Coconut (Philippines)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Groundnut	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Linseed Crude	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Palm Malayan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Seeds					
Copra (Philippines)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Soyabeans (U.S.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Commodities					
Cocoa Shipment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Future Mar.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Coffee Future Jan.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cotton Index	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jute UABW Grade	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rubber kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sisal No. 3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sugar (Raw)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tea (quality) kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tea (medium) kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wooltops 64s Warp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Unquoted. * Nominal. [illegible]

MARKET REPORTS

BASE METALS

COPPER—Firmer again in fairly quiet trading on the London Metal Exchange. Forward metal traded in the £780 to £782 range throughout the day buoyed by forecasts of a further decline in warehouse stocks, more U.S. producer price rises and a possible strike in Peru. A closing price on the late kerb of £783 left forward material around £3 higher on the week. Turnover: 11,125 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	763-.5	+7.25	764-.5	+8.75
3 months	780.5-1	+6.5	781.5-2	+8.5
Settl'm'nt	763.5	+7	—	......
Cathodes				
Cash	750-.5	+5.5	750.5-1.5	+5
3 months	768-.5	+5	769-70	+5.5
Settl'm'nt	750.5	+5.5	—	......
U.S. Smt.	—	......	*72	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £763, three months £780.5, 80, 80.5, 81, 80.5. Cathodes, cash £750.5, three months £769. Kerb: Wirebars, three months £780, 79.5, 80. Afternoon: Wirebars, three months £781, 81.5, 81, 80.5, 81, 81.5, 82. Cathodes, three months £770. Kerb: Wirebars, three months £781, 80.5, 81, 82.

TIN—Marginally easier in quiet trading and lacking any direction from the Penang market which was closed. Forward metal opened around £7,510 but thereafter fell away to close on the late kerb at £7,440 with no physical inquiry, hedge sales and forecasts of an increase in warehouse stocks depressing values. Forward metal still showed a £140 gain on the week. Turnover 1,280 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7620-30	—55	7570-80	—35
3 months	7490-505	—55	7465-75	—30
Settlem't	7630	—70	—	......
Standard				
Cash	7620-5	—6.25	7570-80	—35
3 months	7485-90	—55	7460-5	—22.5
Settlem't	7625	—65	—	......
Straits E.	$1936	—	—	......
New York	—	......	—	......

Morning: Standard, cash £7,630, 25, 20, three months £7,500, 7,490, 95, 7,500, 7,495, 90, 80, 95. Kerb: Standard, three months £7,490. Afternoon: Standard, cash £7,590, three months £7,485, 80, 70, 65, 60, 55. Kerb: Standard, three months £7,460, 50, 40, 45.

LEAD—Very steady as the forecast of a further decline in warehouse stocks emphasised the nearby tightness and helped widen the backwardation. Borrowing of cash metal, speculative interest and U.S. buying provided good two-way trading although forward metal held in a narrow range, between £410 and £413, closing on the Kerb at £412. The net gain on the week was £19.75. Turnover 10,225 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

ZINC—[illegible]

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Afternoon: Three months £619, 18.5, 18. Kerb: Three months £618.5.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Spot	—	......	—	......
3 months	616-7	+4	618-.8	+5.5

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 4.05p an ounce higher for spot delivery in the London bullion market yesterday at 307.05p. U.S. cent equivalents of the fixing levels were: Spot 594.9c, up 4.1c; three-month 606.8c, up 3.5c; six-month 617.5c, up 3.2c; and 12-month 640.3c, up 4.3c. The metal opened at 307-308p (595-596½c) and closed at 307-305p (594½-596c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	307.05p	+4.05	307.5p	+4.26
3 months	314.75p	+3.95	315.15p	+4.2
6 months	321.95p	+3.85	—	......
12 months	336.75p	+4.55	—	......

LME—Turnover 139 (133) lots of 10,000 ozs. Morning: Three months 315.3, 15.2, 15.3, 15.4. Afternoon: Three months 315.4, 15.3, 15.2, 15.1. Kerb: Three months 314.8, 14.6, 14.8.

COCOA

Values remained under pressure as speculators continued to liquidate. Physicals were neglected reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Dec.	2058.0-59.0	—28.25	2088.0-47.0
March	2119.0-20.0	—24.0	2144.0-05.0
May	2150.0-51.0	—28.5	2175.0-40.0
July	2148.0-50.0	—22.5	2168.0-56.0
Sept.	2125.0-25.0	—22.5	2145.0-15.0
Dec.	2085.0-90.0	—15.0	2105.0-2075
March	2080.0-90.0	—17.75	—

Sales: 5,364 (3,728) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily prices for Nov. 30: 185.12 (189.09). Indicator prices Dec. 1 15-day average 185.51 (184.99); 22-day average 182.81 (182.73).

COFFEE

An extremely quiet day saw Robustas slip lower in the face of trade selling Drexel Burnham Lambert reports. Stop-loss liquidation took the market to the lows late in the day, but late trade buying lifted values to only £20 lower by the close.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
January	1460-1461	—20.0	1475-1453
March	1311-1312	—21.0	1327-1308
May	1244-1246	—21.5	1263-1244
July	1204-1205	—24.0	1215-1205
Sept.	[illegible]	[illegible]	[illegible]
November	[illegible]	[illegible]	[illegible]
January	[illegible]	[illegible]	[illegible]

[illegible]

GRAINS

[illegible]

	WHEAT		BARLEY	
M'th	Yesterday's close	+ or —	Yesterday's close	+ or —
	[illegible]	[illegible]	[illegible]	[illegible]

Business done: Wheat—Jan. 92.30-92.70, March 94.70-95.20, May 97.25-97.65, Sept. 89.50 only, Nov. nil. Sales, 175 lots. Barley—Jan. 84.70-84.90, March 86.95-87.15, May 89.35-89.50, Sept. 83.30 only, Nov. 86.15 only. Sales, 68 lots.

IMPORTED—Wheat: CWRS No. 1 13½ per cent Dec. 96 Tilbury. U.S. Dark Northern Spring No. 2 14 per cent Dec. 91.75, Jan. 93.50 transhipment East Coast. U.S. Hard Winter 13½ per cent Dec. 90.75, Jan. 90.25 transhipment East Coast. EEC wheat unquoted.

Maize: U.S./French Dec. 105.00, Jan. 106.30 East Coast. S. African White Jan. 67.50 U.K. S. African Yellow Jan. 67.50 UK.

Barley: English Feed fob Dec. 88, Jan-March 88.75 East Coast.

Sorghum: U.S./Argentine Dec. 98, West Coast nom.

RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing on a dull note. Lewis and Peat reported the Malaysian godown price was 257 (same) cents a kilo (buyer, December).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
Jan.	58.75-59.25	60.15-60.20	—
Feb.	58.80-59.80	59.70-60.75	—
Jan-Mar	59.70-59.85	60.70-60.75	60.40-59.60
Apr-Jne	62.05-62.10	63.60-63.05	63.00-62.05
Jly-Sept	64.4-64.50	65.55-65.40	65.15-64.40
Oct-Dec	66.70-66.85	67.60-67.75	67.55-67.00
Jan-Mar	69.05-69.15	70.00-70.10	—
Apr-Jne	71.55-71.65	72.30-72.40	71.70
Jy-Sept	73.70-73.75	74.55-74.70	74.25-73.65

Sales: 201 (267) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 58.5p (59.25); Jan. 59.25p (60.0); Feb. 60.25p (60.0).

SOYABEAN MEAL

	Yesterday Close £ per tonne	+ or —	Business Done
December	119.5-120.9	+1.85	—
February	126.60-26.7	+2.50	126.70-24.80
April	127.10-27.6	+2.30	127.60-24.90
June	125.70-26.5	+1.85	126.00
August	126.00-27.0	+2.00	—
October	125.00-27.0	+2.75	—
December	120.00-27.5	+1.75	—

Sales: 135 (70) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £99.00 (same) a tonne cif for Nov.-Dec. shipment. White sugar daily price was fixed at £100.00 (£99.00).

First trades were around overnight levels but there was very little interest either side and prices drifted, reports C. Czarnikow. Later the decline accelerated following a sharp fall in New York and the market closed around the day's lowest level.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	[illegible]	[illegible]	[illegible]

[illegible]

active and offtake included a large number of varieties.

HONG KONG—Prices were well maintained on the week in light trading. Friday's close (cents per lb): Dec. unquoted-72.00, March 74.40-74.51, May 75.50-78.00, July 76.00-78.00, Oct. unquoted-80.00. Week's high-low: Dec. 75.00-73.91. Turnover: 38 (45) lots.

WOOL FUTURES

LONDON—Dull and featureless, reported Bache.

(Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
December	230.0-48.0	......	—
March	235.0-48.0	......	—
May	238.0-40.0	......	—
July	240.0-46.0	......	—
October	240.0-45.0	......	—
December	240.0-44.0	......	—
March	240.0-44.0	......	—
May	240.0-44.0	......	—

Sales: 0 (2) lots of 1,500 kg.

SYDNEY GREASY—Close (in order buyer, seller, business, sales)—Micron contract: Dec. 354.5-355.0; 355.0-354.1; 31. March 355.8-356.0; 356.0-355.2; 36. May 360.3-360.5; 361.0-360.1; 13. July 364.0-364.5; 364.0-364.0; 8. Oct. 365.0-365.5; 366.0-365.0; 13. Dec. 367.0-369.0; 367.5-367.0; 7. March 370.5-371.0; 371.5-371.5. 1. May 372.5-375.0; nil; nil. Sales: 109.

NEW ZEALAND CROSSBREDS—Close: Dec. 179.0-184.0, March 182.0-183.5, May 184.0-187.0, July 184.5-187.0, Oct. 190.0-193.0, Dec. 193.5-197.0, March 194.0-196.0, May 194.0-198.0. Sales, nil.

MEAT/VEGETABLES

SMITHFIELD—No carcase meat prices

MEAT COMMISSION—Average fatstock prices at representative markets December 1. GB cattle 67.81p per kg.l.w. (+0.92); UK sheep 133.1p per kg.est.d.c.w. (+0.5); GB pigs 65.1p per kgl.w. (−0.4). England and Wales—Cattle numbers up 4.4 per cent, average price 67.29p (+0.91); Sheep numbers up 28.3 per cent, average price 133.7p (+0.7); Pig numbers down 3.4 per cent, average price 65.1p (−0.4). Scotland—cattle numbers up 0.6 per cent average price 70.55p (+1.10); Sheep numbers down 22.7 per cent, average price 124.0p (−5.4).

COVENT GARDEN (Prices in sterling per package except where otherwise stated)—Imported Produce: Lemons—Italian: 120s new crop 5.00-5.50; Greek: 4.50-5.60; Cyprus: Trays 4.80-5.20; Boxes 80/180s 4.00-6.25; Turkish: 10 kilos 2.40-2.60; Spania: Trays 2.00-2.40. Oranges—Spania: Navel/Navelinas 3.00-4.30; S. African: Valencia Late 2.60; Greek: Navels 3.00-3.30; Jaffa: Navels 120s 5.00. Clementines—Cyprus: 10 kilos 3.40-3.80. Satsumas—Spania: Trays 2.40-3.00. Grapefruit—Cyprus: 2.30-3.50; Israeli: Jaffa 64/75 3.50-3.70; Cuban: 2.60; Texas: Red Blush 3.40; Florida: 5.20; Turkish: 2.40-2.60. Apples—French: Golden Delicious 20-lb 72 2.00-2.20, 84 1.40-2.00; 40-lb 138/163/175 3.50-4.20, Jumble pack per pound 0.05-0.09, Granny Smith 20-lb 72 2.35, 84 1.90, large boxes 138/150/163/210s 2.70-4.60, Jumble pack 55/60 31-lb per pound 0.07, Stark Crimson 40-lb 138/163s 4.50-5.50, 20-lb 84s 1.50, 72s 2.20.

English Produce: Potatoes—Per 25 kilos 1.20-1.40. Lettuce—Per 12 round 0.70-0.80. Mushrooms—Per pound 0.55-0.60. Apples—[illegible]

U.S. Markets

Cocoa falls —precious metals rise

NEW YORK, Nov. 30.

PRECIOUS METALS closed higher on fresh speculative buying and short-covering despite any new fundamental developments. Copper rallied on Commission House short-covering, following the 1 cent per pound increase in domestic producer price at Phelps Dodge, to 70 cents per pound. Sugar eased on trade arbitrage selling while cocoa closed sharply lower on trade hedging and Commission House chart selling. Coffee closed lower on Commission House selling on slightly easier origin prices, reported Bache.

Cocoa—Dec. 181.05 (185.20), March 181.20 (185.60), May 180.85, July 179.30, Sept. 175.85, Dec. 171.45, March nil. Sales: 1,113.

Coffee—"C" Contract: Dec. 141.50-142.00 (143.98), March 133.95-134.00 [illegible], May 130.00-130.75, July 128.25, Sept. 127.00-127.25, Dec. 126.00, March [illegible]. Sales: 495.

Copper—Dec. 66.15 (65.45), Jan. 66.85 (66.20), Feb. 67.65, March 68.40, May 69.70, July 70.05, Sept. 72.15, Dec. 73.55, Jan. 74.00, March 74.85, May 75.75, July 76.65, Sept. 77.55. Sales: 6,000.

Cotton—No. 2: Dec. 67.85 (68.27), March 71.87-71.95 (72.28), May 73.65-73.70, July 73.90, Oct. 68.50-68.60, Dec. 66.25-66.30, March 67.10-67.60, May 67.30 bid. Sales: 5,550.

*Gold—Dec. 193.20 (191.90), Jan. 194.50 (193.60), Feb. 196.40, April 200.10, June 203.80, Aug. 207.50, Oct. 211.20, Dec. 214.90, Feb. 218.70, April 222.50, June 226.30, Aug. 230.20, Oct. 234.20. Sales: 35,542.

†Lard—Chicago loose 23.00. NY prime steam 24.50 traded (25.00 traded).

‡‡Maize—Dec. 227-226½ (224½), March 238-238½ (236), May 246-246½, July 250½-250, Sept. 251½, Dec. 253½.

§Platinum—Jan. 320.00-323.00 (320.30), April 323.50-325.00 (322.50), July 327.50, Oct. 328.50, Jan. 331.60-331.80, April 334.10-334.30, July 336.60-338.80. Sales: 1,360.

¶Silver—Dec. 600.00 (589.00), Jan. 603.30 (593.40), Feb. 606.20, March 609.00, May 616.50, July 624.70, Sept. 632.90, Dec. 646.50, Jan. 651.38, March 660.70, May 670.20, July 679.80, Sept. 689.50. Handy and Harman spot bullion 591.50 (596.00). Sales: 23,787.

Soyabeans—Jan. 677-679 (672), March 692-690 (685), May 698-697, July 701-702, Aug. 697-696, Sept. 671, Nov. 658-657, Jan. 666.

||Soyabean Meal — Dec. 184.80-185.50 (181.70), Jan. 187.60-187.30 (184.40), March 188.30-188.50, May 187.00-187.20, July 187.00-187.20, Aug. 186.50-186.80, Sept. 185.00-185.20, Oct. 181.00, Dec. 180.50.

Soyabean Oil—Dec. 24.90-25.00 (24.72), Jan. 25.00-25.05 (24.85), March 24.90-24.85, May 24.70-24.60, July 24.35-24.40, Aug. 24.25, Sept. 23.85, Oct. 23.60-23.65, Dec. 23.30-23.40, Jan. 23.20-23.25.

[illegible]

FINANCIAL TIMES

Nov. 30	Nov. 29	Month ago	Year ago
265.63	265.75	266.93	239.44

(Base: July 1 1952=100)

REUTERS

Dec. 1	Nov. 30	Month ago	Year ago
1522.2	1510.4	1531.6	1495.5

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Nov. 30	Nov. 29	Month ago	Year ago
Spot	394.45	396.42	393.12	367.79
Futures	393.21	394.40	393.83	358.62

(Average 1924-25-26=100)

MOODY'S

Moody's	Nov. 30	Nov. 29	Month ago	Year ago
Spot Commodity	985.1	982.2	985.5	926.1

(December 31, 1931=100)

IPC acquires Energy Show interest

IPC BUSINESS PRESS has acquired a 50 per cent interest in the Energy Show, an annual event owned by Trdent International Exhibitions which, in 1979, takes place at the National Exhibition Centre, Birmingham, from February 19 to 25.

A new company, the Energy Show Exhibition Limited, has been set up to control the event. Chairman is Mr. Bryan Hope of IPC Business Press with managing director Mr. Gordon Johns of Trident. other directors are Mr. John Thewlis of Trident and Mr. Peter Yapp of IPC Business Press.

The Energy Show s concerned with the conservation and efficient use of all types of fuel in industry, commerce and the home. It is sponsored by the Institute Of Fuel and its catalogue will be published by the new IPC monthly journal Energy Manager.

Zoo control Bill disappoints vets

BY CHRISTOPHER PARKES

A DRAFT Bill designed to control the management of zoos and wild life parks is a "near disaster." the British Veterinary Association said yesterday.

Proposals now being scrutinised at the Home Office "are more concerned with overcrowding of cars in car parks than the conditions of animals." said Mr. Jim Allcock, a member of the association's public relations group.

The association would be happy to help any Member of Parliament interested in Sponsoring an alternative to the plans under consideration.

Mr. Allcock, claimed that in possibly 25 per cent of existing zoos and wildlife parks, a "near revolution" was needed to bring standards up to a satisfactory level. "Details" in between half and three-quarters of all zoos needed to be improved.

"Anyone can go out and buy a polar beer and a couple of lions, and start a zoo," said Mr. Mike Stockman, association president.

Mr. Allcock said that, although a Bill was being prepared. it was such an "unhappy" piece of work that the country's vets could not support it.

There had been an explosion in the number of zoos and wildlife parks. Although there were no reliable statistics because there was no legislation governing the industry, there were more than 100 significant wildlife parks in Britain and many smaller places.

The association's main complaint against unsupervised zoos was the lack of facilities for the animals. Many were bored, not properly fed and kept in generally unhygenic conditions.

The Bill under consideration proposes that zoos should be issued with a licence every four years. Inspections should be signalled with one month's notice, it says. The vets suggest issuing a licence yearly and regular inspections with no warning.

Teddy Taylor gives Labour poll warning

BRITAIN WOULD be sentenced to five years of red blooded socialism if Labour was returned to power with a working majority at the next general election, Mr. Teddy Taylor, the Opposition spokesman on Scotland, warned last night.

"While Mr. Callaghan is endeavouring to persuade Britain the Labour Party has become more moderate, more reasonable and more acceptable, the grim reality is that the extreme left is getting an ever increasing grip on the key power points of the party," he told Tories at Waterlooville, near Portsmouth.

"One by one the strong men of the centre in Labour ranks have been slipping away. Edmund Dell has left the cabinet to go back to the city. Dick Marsh has left Labour's ranks altogether.

"Reg Prentice has joined the Conservative Party. Dick Taverne has gone. Even George Brown has made clear his utter distaste of the trends in Labour Party opinion.

"In their place are a bunch of leftists and lightweights who are restrained partly by the disciplines of the IMF and partly by the absence of a Parliamentary majority."

Mr. Taylor, MP for Cathcart Glasgow, went on: "We would do well to listen to the warning words of those who have been abandoning the Labour Party after a lifetime association, and to beware of the strident claims of men like Jimmy Reid and Peter Hain who have been joining Labour's ranks," he said.

Scots factory takeover could lead to new jobs

KINGSTON YARN Spinners, a Canadian-owned company making textiles for the carpet industry, is to take over a factory at Sanquhar, Dumfries and Galloway, which has been empty since its former owner, Shand Mills, went into receivership in February.

Kingston has a smaller factory employing 50 people at Dumfries. It plans to build up its new plant so that it will eventually provide 350 jobs.

SINGAPORE STOCK FXCHANGE

Dec. 1	$	Dec. 1	$
Industrials		Straits Trad's	6.40
Bovi	0.50	Times Pub.	
Boustead Co.	1.80	Berhad	2.87
Boustead Bhd	2.13	U. Engineers	1.35
Dunlop	†4.04	U.O.B. Bk.	3.20
Esso	3.46	Wearne	2.85
Fraser Neave	4.88	Tractor	†4.50
Haw Par	1.49	Chemical	†4.86
Hume Ind.	1.66	Wm Jacks.	1.35
Inchcape	1.59	**Rubbers**	
Mal. Brew.	—	Gula Kalumpong	—
Mal. Cem.	—	Dunlop Estates	5.26
Met. Box	—	Kempas	†3.80
OCBC	7.20		
Pan Electric	1.49		
Robinson	2.27	**Tins**	
Rothman	2.82	Austral. Am.	—
Shell	2.62	Ber untan	6.95
Sime Darby	3.0	Kamunting	2.46
Cold Storage	2.20	Kuchai	†1.20
Straits Steam	2.41	Lower Perak	
Straits Time		Petaling Tin	†7.20
(1970) Ltd.	7.05	Supreme Corp.	†1.90
		Tronoh	‡2.50

† Buyer. ‡ Seller.

This week's SE dealings

Friday, December 1	3,218	Wednesday, November 29	4,081	Monday, November 27	4,554
Thursday, November 30	4,234	Tuesday, November 28	5,155	Friday, November 24	4,413

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ◆ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (532)

Minster Assets (25p) 59½◆ 8½
National Comml. Bank Gp. (25p) 78½◆ 80 7 4 7½ 5½ 8 9 8½
National Westminster Bank 277 85 7 78 83 8. Wrrts. 100◆. 7pcPf. 55 8½ (30/11). 8¼pcLn. 93½◆ (30/11). 9pc Ln. 74¼ 5 (30/11)
Royal Bank of Canada ($C2) 24¼ (30/11)
Schroders 395 7 (27/11)
Seccombe Marshall Campion 205
Smith, St. Aubyn (Hldgs.) (25p) 84 (28/11). 9½pc2ndPf. 101 (30/11)
Standard Chartered Bank 410◆ 15 22. 13½pcLn. 102¼
Toronto-Dominion Bank ($C1) 13⅞ (28/11)
Union Discount of London 322½ 37 (30/11)

BREWERIES (110)

Boots (25p) 199½◆ 5◆ 8 6 9. 6pc Ln. 76½◆ (30/11)
Borthwick (Thomas) (50p) 64 3
Boulton (William) (Gp.) (10p) 19½. New Ord. (10p) 19¾. New Ord (10p) 2½◆
Bowater Corp 180◆ 76 7 80 78 5 7½. 5½pc Pf. 44½ (28/11). 3½pc 1st Db. (1977. 54 (30/11). 7pc Cnv.Ln. 79½
Bowthorpe Hldgs. (10p) 67
Braby Leslie (10p) 73 (28/11)
Brady Ind. (25p) 48◆. A Ord. (25p) 48
Braithwaite Eng. 110◆
Brammer (H.) (20p) 108 (28/11)
Breedon & Cloud Hill Lime Wks (25p) 107 9 (27/11)
Bremner (25p) 46◆
Brent Chem. Int. (10p) 182◆ (30/11)
Brickhouse Dudley (10p) 50

ERF (Holdings) (25p) 123◆. 10pcPf. 103◆ 103½◆ (30/11)
Early (Charles, Marriott (Witney)) (10p) 24 (30/11)
East Lancashire Paper. 7½pcLn. 62 (28/11)
Eastern Produce (50p) 79 (29/11)
Edbro (Holdings) (25p) 220½◆
Elbar Industrial (50p) 200½ (30/11)
Eleco Holdings (10p) 48◆. 7½pcDb. 72½ (28/11)
Electrical Industrial Secs. (25p) 57
Electrocomponents (10p) 299 304
Electronic Rentals Group (10p) 138 (28/11)
Elliott (B.) (25p) 171
Elliott (E.) (25p) 340 50 (30/11)
Elliott Group of Peterborough (10p) 38◆

Johnson Firth Brown (25p) 69◆ 8 7. 10pcLn. 92 (27/11). 11pcLn. 81½ (30/11)
Johnson Cleaners (25p) 107. 9pcPf. 66 (27/11)
Johnson Matthey 469 60. 7¼pcDb. 59 (30/11)
Johnson-Richards (H. and R.) Tiles (25p) 86½ (28/11). 5pcPf. 36 5¼ (29/11)
Jones (A. A.) Shipman (25p) 148 (30/11)
Jones (Edward) (Contractors) (10p) 18½◆ (30/11)
Jones (Ernest) (Jewellers) (10p) 153◆ 6◆ 3 (30/11)

K Shoes (25p) 71 (30/11)
Kalamazoo (10p) 34 (27/11)
Keep Scott (25p) 24 5 6
Kenning Motor (25p) 72◆ 2 (30/11). 7pc Pf. 50 (30/11)

N—O—P

Newey and Burton Hldgs. (25p) 54 (28/11)
Newey Group 5pcPf. 30 (28/11)
Newman (25p) 79½◆. New Ord. (25p) 51½◆ 5◆ 4 5 4½. 10½pcLn. 70◆
Newman-Tonks (25p) 65◆
News Intnl. (25p) 258◆
Nichols (J. N.) (Vimto) (25p) 228 (30/11)
Noble and Lund (10p) 15½ 16‡
Norcros (25p) 96◆
Norfolk Cap. Group (5p) 38 (28/11)
North Brit. Steel (Hldgs.) (25p) 41◆ 1 (30/11)
Northern Engineering Industries (25p) 127◆ 8 ½. 8.25pcCum.Red.Pf. 95‡. 7pc Ln. 2000-05 52½ (28/11)
Northern Foods (25p) 99◆ 9. 5.25pc Cnv.Uns.Ln. 1982-87 118½◆ 16‡ (30/11)
Northern Goldsmiths (25p) 75 1 (27/11)
Norton Wright Group (10p) 142 (27/11)
Norton Simon Inc. Shs. of Com. Stk. ($US1) £12¼◆ (30/11)
Norton (W. E.) (Hldgs.) (5p) 33
Norwest Holst (25p) 94 (28/11). 7pc Cnv.Ln. 1984 89
Nottingham Brick (50p) 302‡
Nottingham Mfg. (25p) 137◆ 7 6 (30/11)
Nova (Jersey) Knit (20p) 37◆. 7pcCnv. Ln. 1985 67½◆
Nurdin Peacock (10p) 78◆ 4 (30/11)
Nu-Swift Inds. (5p) 30 29½ (30/11)

O.K. Bazaars (1929) (R0.50) 330 (27/11)
Ocean Wilsons (Holdings) (20p) 78 (30/11)
Oce-Van Der Grinten Finance 9pcStlg./Guilder Cnv.Ln. (1987-92) 102 (27/11)
Office Electronic Machines (25p) 122
Ofrex Group (20p) 105◆ 4
Olympia (Redaere) (25p) 37
Orenstone Invest. (R0.12½) 16
Oxley Printing Group (25p) 64 (29/11)

Penta (P.) (10p) 24 (29/11)
Parker Knoll A Non-Vtg. (25p) 87
Parker Timber Group (25p) 134◆ 4 (30/11)
Parkland Textile (Holdings) A (25p) 75◆
Paterson Zochonis (10p) 185 75 (27/11). A (Non-Vtg.) (10p) 175 (30/11). 10pc Cum.Pf. 100‡ (30/11)
Pauls Whites (25p) 117 (30/11). 6½pc Db. 1988-90 64 (28/11)
Pearson Longman (25p) 212½◆ 13½◆ 13 (30/11)
Pearson (S.) Son (25p) 218 (30/11). 9pc Ln. 90½◆ (30/11)
Pegler-Hattersley (25p) 156◆ 4◆. 7pcLn. 72◆ (30/11)
Pennine Motor Grp. (10p) 10¾ ½ 11¼ (29/11)
Pentland Inds. (10p) 21◆ 2 (30/11)
Pentos (10p) 98 100 (28/11)

Stothert Pitt New 40½◆ 38
Streeters (10p) 26◆ 5◆
Strong Fisher (25p) 72
Stroud Riley Drummond (25p) 29 (28/11)
Sturla (10p) 12½ (29/11)
Style Shoes (25p) 77
Sumner (F.) (10p) 13
Sunbeam Wolsey (25p) 41 (28/11)
Supra (10p) 51 (30/11)
Sutter Electrical (5p) 32 (27/11)
Swan Hunter 156◆ 7◆ 6. 7¼pcLn. 93 (29/11)
Swire (J.) 6.3pcPf. 74¼ 69¾ (30/11)

T—U—V

Tarmac (50p) 147◆ 8◆ 9 8‡
Tate Lyle 181◆ 2 80 4. 5½pcDb. 68½ (29/11). 8¼pcLn. 59 (30/11). 13pcLn. 105 (28/11)
Tate of Leeds (25p) 76 (28/11)
Taylor Woodrow (25p) 414. 7¼pcLn. 68¾ (27/11)
Tebbitt (10p) 8 (29/11)
Tecalemit (25p) 138‡. 8¼pcDb. 78¼◆
Telefusion A NV (5p) 31½
Tenneco Inc. ($US1.00) 21½. 10pcLn. 133¼ (27/11)
Tern-Consulate (25p) 71 (30/11)
Tesco Stores (5p) 53½ 1 3 2½
Tex Abrasives (10p) 53 (29/11)
Textured Jersey (10p) 38◆
Thames Plywood (25p) 37 (30/11)
Thermal Syndicate (25p) 99◆
Thomson Organisation 4.72pcPf. 48 (28/11). 21.7pcPf. 58 (29/11)
Thorn Electrical Inds. (25p) 354 2 48‡. 5pcLn. 101½ (27/11)
Tilbury Contracting Grp. 280 (29/11)
Tilley Lamp 4.2pcPf. (20p) 124½◆ 6 5½ 5
Tilling (Thomas) 4.55pcPf. 58 (27/11)
Time Products (10p) 178 (30/11). New (10p) 175 8 (30/11)
Tomkins (F. H.) (5p) 22◆ (30/11)
Tootal (25p) 45½◆ 4 ½. 4½pcDb. 55½ (29/11). 7½pcDb. 64¾ (29/11)
Trafalgar House (20p) 117½◆ 19½◆ 18. 10¼pcLn. 77 (28/11)
Transparent Paper (25p) 67 8 (30/11)
Transport Dev. Grp. (25p) 67½◆ 8½ 7½. 7¼pcLn. 71¾ (27/11)
Travis and Arnold (25p) 171 (28/11)
Tricoville (10p) 78 6 (28/11)

هكذا من الأصل

Wilkinson Warburton (25p) 87 79 (27/11)
Williams and James (Engrs.) (25p) 101
Wilmot-Breeden (25p) 62½● 8¼ 73
Wilson Bros. (20p) 42½ 2 (30/11)
Wilson Walton Eng. (10p) 35● 4● 5 (30/11)
Wimpey (G) (25p) 87½● 1½ 2
Winn Inds. (20p) 46 (30/11)
Wire Plastic Prod. (10p) 38½ (29/11)
Wolf Elec. Tools (25p) 81 (30/11)
Wolseley-Hughes (25p) 205● (30/11)

Prudential Assur. (5p) 148● 50● 50 2 1 49
Refuge Assur. (5p) 142
Royal Insur. (25p) 355● 2● 3 2 7 5
Stenhouse Hldgs. (25p) 98● 100
Sun Alliance and London Insur. 508● 18 12. 6½pcLn. 72 (29/11)
Sun Life Assur. (5p) 104 6
Travelers Corp. (SU.S.2.50) 522½●
Willis Faber (25p) 240 (29/11)

INVESTMENT TRUSTS (148)

Aberdeen Tst. (25p) 132
Acorn Secs. (1p) 101● (30/11)
Ailsa Inv. (25p) 110½
Alliance Tst. (25p) 211● 10● 12 11½
Altifund Cap. (50p) 189●

Throgmorton Secured Growth Trust Cap. 89 (27/11)
Throgmorton Tst. (25p) 76● ½
Tor Inv. Tst. Income (25p) 81½● 2 (30/11). Capital (25p) 102 (30/11)
Trans-Oceanic Tst. (25p) 161 (27/11)
Transatlantic Gen. Invs. 110 (28/11)
Triplevest Income (50p) 61● (30/11). Capital 139½ 8 9 (30/11)
Trust Union (25p) 101½ (30/11)
Trustee Cpn. (25p) 137 6 5½ (30/11)
United British Sect. Tst. (25p) 124½. 5pc Pf. 38 8½ (30/11)
United States Db. (25p) 88. 5pcCnv.Uns.Ln. 90½
United States Tst. Inv. Fund ($US1) 700● (30/11)
Viking Resources Tst. (25p) 82½●

Metropolitan Railway 6½pc1stDb. 62 (28/11)
Mountview Ests. (5p) 89½ (28/11)
Mucklow (A. J.) (25p) 121
Nolton (25p) 43¼ (30/11)
Peachey Property (25p) 63½●
Property Reversionary A (25p) 313 (28/11)
Property Hldgs. (25p) 303● (30/11)
Property Partnerships (25p) 100● (30/11)
Property Security (50p) 115 (30/11)
Raglan Property (5p) 4¼
Regional Properties A (25p) 69 (30/11)
Rush Tompkins (25p) 95 3 (28/11)
Samuel Properties (25p) 89½ (27/11)
Scottish Met. Prop. (20p) 116● (30/11)
Second City Properties (10p) 40● (30/11). New (10p) 41½● 2● 40½ (30/11). 7pcLn. 89 (30/11)
Slough Estates (25p) 116. 10pcLn. 163 (30/11)
Stock Conversion (25p) 178 (30/11). 5½pc Ln. 268 70 (28/11)
Sunley (Bernard) (25p) 250●
Town City (10p) 13½● ½ 13
Traord Park Estates (25p) 119
United Kingdom Prop. (25p) 234● (30/11)
Westminster Country Prop. (25p) 27 (29/11)

RUBBER (17)

Aberfoyle Plants. (8p) 7¼ (28/11)
Anglo-Indonesian Cpns. (25p) 90½● 1 (30/11)
Bertam Consd. Rbr. (10p) 102½● (30/11)
Bradwall (F.M.S.) Rbr. (10p) 56 7½ (28/11)
Chersonese (F.M.S.) (10p) 47 (29/11)
Consd. Plants. (10p) 38¼●. Wrrnts. 73 (30/11)
Dunlop Plants. 6pcPf. 42½
Guthrie Cpn. 327●

Steel Co. Canada A £15¼½●
Swire Pac. A 104½● 7 6
Western Bancorp US$ 23¾½●
Westfield Minerals 348●
Whim Creek 95●

Campbell Redlake $US29½●
Conzinc Rio Tinto 244●
Eurounion £36¼
Hong Kong Land 117
Hutchinson Whampoa 62

Clyde Petroleum 94
Deltenne (Hldgs.) 16
Dollar Land Hldgs. 52
Exchem Hldgs. 75
GRA Prop. Tst. 11¼ ½
Gunn (A.) (Hldgs.) 31
Idak Convalescent Centers Inc. US$ 0.10½ 0.10

NOVEMBER 24

Cluff Oil £3¼
Gas and Oil Acreage 102 97
Siebens (U.K.) 250 47½ 6

(By permission of the Stock Exchange Council)

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an overseas Stock Exchange.

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement.

DECEMBER 1 (Nil)
NOVEMBER 30 (Nil)
NOVEMBER 29 (Nil)
NOVEMBER 28 (Nil)
NOVEMBER 27 (Nil)

[illegible]

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	12	½-year	250	3-7
Chorley (02572 5811)	11⅞	½-year	1,000	5-7
East Lindsey (0507 3801)	12¼	½-year	2,000	3
Knowsley (051 548 6555)	12½	½-year	1,000	6-10
Manchester (061 236 3377)	11	½-year	500	3
North Kesteven (0529 308241)	12¼	½-year	1,000	5-7
Poole (02013 5151)	11⅞	½-year	500	2-3
Poole (02013 5151)	12¼	½-year	500	6-7
Poole (02013 5151)	12¼	½-year	500	5
Redbridge (01-478 3020)	11⅞	½-year	200	4-5
Sefton (051 922 4040)	12	½-year	2,000	2-3
Wrekin (0952 505051)	12¼	yearly	1,000	5-10

BUILDING SOCIETY RATES

	Deposit Rate	Share Accnts.	Sub'pn Shares	*Term Shares
Abbey National†	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Aid to Thrift†	8.25%	8.75%	—	—
Alliance†	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., 8.25% 1 yr.
Anglia Hastings & Thanet†	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., 8.25% 1 yr.
Bradford and Bingley†	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Bridgwater	6.45%	6.70%	8.50%	7.90% 2½ yrs., 7.45% 2 yrs.
Bristol and West†	7.75%	8.00%	9.25%	—
Bristol Economic	6.45%	6.70%	7.95%	6.95% 3 months' notice
Britannia†	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Burnley†	7.75%	8.00%	9.25%	8.50% 2 yrs., 9.00% 3 yrs.
Cardiff†	7.70%	8.50%	—	—
Catholic	6.00%	●6.80%	7.50%	— ● 7% over £5,000
Chelsea†	7.75%	8.00%	9.25%	8.75% minimum £500, 6 months' notice
Cheltenham and Gloucester†	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., £500-£15,000
Citizens Regency†	7.75%	8.30%	9.50%	9.55% 3 years
City of London†	8.00%	8.30%	9.25%	9.35% 3 yrs. increment share min. £500
Coventry Economic†	7.75%	8.00%	9.25%	9.00% 3 yrs. min., 8.50% 3 mths.' notice
Coventry Provident†	7.75%	8.00%	10.00%	9.25% 3 yrs., 8.75% 2 yrs., 8.25% 1 yr.
Derbyshire†	7.75%	8.00%	9.25%	8.50% up to, 3 months notice
Gateway†	7.75%	8.00%	9.25%	9.00% 3yrs., 8.5% 2yrs., min. £500-15,000
Guardian†	7.75%	8.25%	8.50%	8.95% £1,000 3 months' notice
Halifax†	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Heart of England†	7.75%	8.25%	8.25%	9.25% 3-4 yrs., 9.00% 2 yrs.
Hearts of Oak and Enfield†	7.75%	8.25%	9.25%	9.25% 4 yrs., 9.25% 3 yrs., 9.00% 2 yrs.
Hendon†	8.00%	8.50%	—	9.00% 6 months, minimum £2,000
Huddersfield and Bradford†	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Leamington Spa	6.55%	6.80%	9.26%	7.55% 2 yrs.
Leeds Permanent†	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., min. £1,000
Leicester†	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Liverpool†	7.75%	8.00%	9.45%	9.10% 3 yrs., 8.60% 2 yrs., min. £1.000
London Goldhawk†	7.75%	8.25%	9.50%	7.75% 3 yrs., 7.70% 2 yrs., 7.45% 1 yr.
Melton Mowbray†	7.85%	8.10%	9.25%	8.85% 2 yrs., minimum £2,000
Midshires	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £250
Mornington	7.25%	7.50%	—	—
National Counties†	8.00%	8.30%	9.30%	9.40% 6 mths., 8.75% 3 mths., min. £1,000
Nationwide†	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., min. £500
Newcastle Permanent†	7.75%	8.00%	9.30%	9.30% 3 yrs., 9.00% 2 yrs.
New Cross	7.25%	7.50%	—	—
Northern Rock†	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., min. £200
Norwich†	7.75%	8.00%	9.50%	9.00% 3 yrs., 8.75% 2 yrs., min. £200
Peckham Mutual	6.75%	7.25%	—	—
Portman	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.45% ½-yrly., 6.95% 3 mths.
Principality Bulldg. Society†	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., min. £500
Progressive	6.70%	6.95%	7.95%	7.95% 3yrs., 7.70% 2yrs., 7.45% 3mths.not.
Property Owners†	7.75%	8.50%	9.75%	9.00% 3 months notice
Provincial	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs.
Skipton	6.45%	6.70%	7.95%	7.70% 3yrs., 7.20% 2yrs., 6.95% 3mths.not.
Sussex Mutual†	7.75%	8.35%	10.00%	9.30% 3 yrs., 9.00% 2 yrs., 8.75% 1 yr.
Town and Country†	7.75%	8.00%	♣10.00%	9.00% 3 yrs., 8.50% 2 yrs. ♣ Max. £250
Walthamstow†	7.75%	8.10%	9.20%	9.15% 3 yrs., 8.85% 3 mths. not. min. £500
Woolwich†	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.

* Rates normally variable in line with changes in ordinary share rates.
† Rates applicable from December 1, 1978.

All these rates are after basic-rate tax liability has been settled on behalf of the investor.

EXCHANGE CROSS RATES

Dec. 1	Pound Sterling	U.S. Dollar	Deutschemark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.938	3.750	392.0	8.618	3.370	4.078	1653	2.266	59.55
U.S. Dollar	0.516	1.	1.935	202.3	4.447	1.739	2.104	852.9	1.169	30.62
Deutschemark	0.267	0.517	1.	104.5	2.298	0.899	1.087	440.8	0.604	15.83
Japanese Yen 1,000	2.551	4.994	9.566	1000.	21.98	8.597	10.40	1217	5.779	151.4
French Franc 10	1.160	2.249	4.352	454.9	10.	3.911	4.732	1918	2.629	68.87
Swiss Franc	0.297	0.575	1.113	116.3	2.557	1.	1.210	190.5	0.672	17.61
Dutch Guilder	0.245	0.475	0.920	96.14	2.113	0.826	1	405.1	0.554	14.58
Italian Lira 1,000	0.605	1.172	2.269	237.1	5.215	2.039	2.467	1000.	1.371	36.90
Canadian Dollar	0.441	0.855	1.655	173.0	3.804	1.488	1.800	729.6	1.	26.30
Belgian Franc 100	1.680	3.265	6.318	660.5	14.52	5.678	6.870	2785	3.817	100.

Currency, Money and Gold Markets

UK MONEY MARKET

Bank of England Minimum Lending Rate 12½ per cent (since November 9, 1978)

The Treasury bill rate rose at yesterday's tender by 0.0035 per cent to 11.5660 per cent, little changed from the previous week. The minimum accepted bid was unchanged at £97.11, and bids at *that level* were met as to about 15 per cent, compared with 39 per cent. The £300m bills on offer attracted bids of £877.56m and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

In the money market day to day credit was in good supply, although official intervention was again absent. After paying around 11½ per cent for secured call loans at the start, discount houses found money as low as 7 per cent in the latter part of the day.

The market was helped by a *fairly large excess of Government* disbursements (including Social Security payments) over revenue transfers to the Exchequer, and banks brought forward balances some way above target. On the other hand, there was a fairly large increase in the note circulation and the part unwinding of a purchase and resale agreement of eligible bills to finance. This was in addition to a very small net take up of Treasury bills.

In the interbank market, overnight loans opened at 11¾-12 per cent and eased to 11-11½ per cent where rates stayed for most of *the morning. The easy conditions* pushed the rate down even further

Rates in the table below are nominal in some cases.

EXCHANGES AND GOLD

Conditions ahead of the weekend were generally subdued in yesterday's foreign exchanges market, with most activity *surrounding the dollar/yen rate.* The dollar opened firmer against most curencies, and although finishing above Thursday's levels, it closed at around its worst level for the day.

Following on intervention in Tokyo by the Bank of Japen in support of the yen, the Japanese currency touched Y203.70 in London at one point, before closing at Y201.90, well down from Thursday's close of Y199.25. Against other currencies the dollar showed a less marked improvement at DM1.9337½ from DM1.9280 in terms of the D-mark and SwFr 1.7375 from 1.7345 against the Swiss franc.

Using Morgan Guaranty rates at noon in New York, the dollar's trade weighted average depreciation narrowed to 7.7 per cent against 8.1 per cent. Yesterday's level was its best since July 18 *this year.* On Bank of England figures its index rose to 85.7 from 85.3.

Sterling traded quietly for most of the day, and after opening at $1.9370-$1.9380, eased to a low for the day of $1.9340. However, with the dollar declining in the afternoon, the rate improved to $1.9380-$1.9390 before closing at $1.9375-$1.9385, a fall of 65 points from *Thursday's close. Sterling's* slightly easier trend was reflected in its trade weighted index, which fell to 62.6 from 62.7.

Gold traded very quietly to close $1 an ounce firmer at $194-194½, with around a $2 spread for the whole day.

THE POUND SPOT

Dec. 1	Bank rate %	Day's Spread	Close
U.S. $	9½	1.9340-1.9490	1.9375-1.9385
Canadian $	10¾	2.2636-2.2685	2.2650-2.2660
Guilder	6½	4.06¾-4.09	4.07½-4.08¼
Belgian F	6	59.05-59.58	59.30-59.40
Danish K	8	10.38-10.45	10.43½-10.44½
D-Mark	3	3.74-3.78	3.74½-3.75½
Port. Esc.	18	90.85-91.50	90.85-91.25
[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc [illegible].

OTHER MARKETS

Dec 1	£	$		£ Note Rates
Argentina Peso	[illegible]	954 49.956 54	Austria	27-28
Australia Dollar	1.7105 1.7205	[illegible]	Belgium	60-61½
Finland Markka	7.87 7.88	[illegible]	Denmark	10.30-10.50
Brazil Cruzeiro	[illegible]	[illegible]	France	8.55-8.65
Greek Drachma	71 170-72.021	[illegible]	Germany	3.70-3.80
[illegible]	[illegible]	4.6100-4.6150	Italy	1650-1700
[illegible]	[illegible]	[illegible]	Japan	380-390

Rate given for Argentina is free rate.

LONDON MONEY RATES

[illegible]

Local authority and finance houses seven days' notice, others seven days' fixed. *Longer-term local authority mortgage rates nominally three years 12¼-12⅜ per cent; four years 12½ per cent; five years 12⅝-12¾ per cent. ●Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 11⅝-11¾ per cent; four-month trade bills 12⅜ per cent.

Approximate selling rates for one-month Treasury bills 11 5/16 per cent; and two-month 11 13/32 per cent; three-month 11 17/32 per cent. *Approximate selling rate for one-month bank bills* 11 31/32-12 per cent; two-month 11 31/32-12 per cent; and three-month 12 9/32 per cent; one-month trade bills 12½ per cent; two months 12⅜ per cent; and also three-month 12⅜ per cent.

Finance House Base Rates (published by the Finance House Association) 11½ per cent from December 1, 1978. **Clearing Bank Deposit Rates** for small sums at seven days' notice 10 per cent. **Clearing Bank Base Rates** for lending 12½ per cent. **Treasury Bills:** Average tender rates of discount 11.5660 per cent.

EURO-CURRENCY INTEREST RATES

Dec. 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	n.a.	9⅝-9⅞	8½-9½	7⅞-9⅛	⅛-¼	[illegible]	6¾-7	10-14	—	[illegible]
7 day's notice	n.a.	9¾-10	8½-9½	8⅞-9⅛	⅛-¼	[illegible]	[illegible]	11-14	9⅞-10	[illegible]
Month	13⅛-13⅝	[illegible]	[illegible]	9¾-10	[illegible]	[illegible]	8-8¼	15-16	[illegible]	[illegible]
Three months	13⅝-14¼	11⅝-11⅞	[illegible]	[illegible]	¼-⅜	[illegible]	8⅞-9⅛	[illegible]	11⅝-11¾	1⅞-2¼
Six months	14-14⅜	11⅝-11⅞	[illegible]	9⅛-9¾	[illegible]	[illegible]	9⅜-9⅝	[illegible]	[illegible]	2⅛-[illegible]
One year	13⅞-14¼	11⅛-11¾	10⅜-10⅝	8¾-9	1⅜-1½	[illegible]	10⅜-[illegible]	17-18	[illegible]	2⅞-3¼

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.85-10.95 per cent; three months 11.20-11.30 per cent; six months 11.50-11.60 per cent; one year 11.20-11.30 per cent.

Long-term Eurodollar deposits: Two years 10⅞-11 per cent; three years 10 5/16-10 7/16 per cent; four years 10 3/16-10 5/16 per cent; five years 10⅛-10⅜ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

n.a.=not available.

GOLD

	Dec. 1	Nov. 30
Gold Bullion (a fine ounce)		
Close	$194-194½	$193-193½
Opening	$193¾-194¼	$193¼-194
Morning fixing	$194.05 (£100.196)	$193.70 (£99.374)
Afternoon fixing	$194.65 (£100.588)	$193.40 (£99.460)
Gold Coins, domestically	[illegible]	[illegible]

[illegible]

$20 Eagles	$[illegible]	$[illegible]
$10 Eagles	$[illegible]	$150-155
$5 Eagles	$[illegible]	$97-102

CURRENCY MOVEMENTS

December 1	Bank of England Index	Morgan Guaranty changes %
Sterling	62.64	−41.1
U.S. dollar	85.71	−7.7
Canadian dollar	81.05	−16.6
Austrian schilling	144.14	+18.8
Belgian franc	113.13	+14.3
Danish krone	116.30	+5.8
Deutsche Mark	147.40	+40.6
Swiss franc	191.59	+81.4
Guilder	122.85	+19.3
French franc	97.78	−6.7
Lira	54.67	−48.4
Yen	144.77	+43.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

U.K. CONVERTIBLE STOCKS 1/12/78

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Associated Paper 9½pc Cv. 85-90	1.40	102.00	200.0	76-79	9.2	8.9	−1.0	−7 to 9	5.2	0.0	−5.1	−4.1
Bank of Ireland 10pc Cv. 91-96	1.20	185.00	47.6	77-79	5.5	2.2	−3.8	−8 to 3	6.7	4.8	−1.0	+2.9
British Land 12pc Cv. 2002	7.71	160.00	333.3	80-97	7.5	6.9	21.5	4 to 26	0.0	91.2	69.2	+47.7
English Property 6½pc Cv. 98-03	8.07	73.00	234.0	76-79	8.7	9.1	−4.3	−11 to −1	3.5	0.0	−4.5	−0.1
English Property 12pc Cv. 00-05	15.31	80.00	150.0	76-84	15.2	15.3	39.2	40 to 66	26.0	45.0	37.8	−21.4
Hanson Trust 6½pc Cv. 88-93	4.51	76.00	57.1	76-80	8.7	9.7	1.5	−1 to 8	8.5	6.1	−3.2	−4.7
Hewden-Stuart 7pc Cv. 1995	0.04	380.00	564.5	75-79	1.9		2.0	−15 to 2	9.5	3.4	−1.6	−3.6
Slough Estates 10pc Cv. 87-90	5.50	165.00	125.0	78-86	6.0	1.7	12.8	5 to 15	32.8	46.5	0.4	−3.4
Thorn Electric 5pc Cv. 90-94	10.93	101.00	29.1	75-79	5.0	5.1	−1.4	−3 to 3	5.0	4.8	−0.3	+1.1
Tozer, Kemsley 8pc Cv. 1981	0.78	91.00	153.9	74-79	8.9	12.0	11.6	1 to 21	7.1	3.8	−4.0	−15.6
Ultramar 7pc net R.Cv.Pfd.	14.07	1.35	0.5	76-88	0.7		13.5	9 to 19	0.0	5.0	4.0	−8.6
Wilkinson Match 10pc Cv. 83-98	11.10	87.00	40.0	76-83	11.4	11.6	22.9	23 to 38	29.5	34.0	6.3	−16.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Week ends firmly on revived small investment demand

30-share index regains 4.8 at 486.3—Gilts quietly firm

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Nov. 13	Nov. 23	Nov. 24	Dec. 5
Nov. 27	Dec. 7	Dec. 8	Dec. 19
Dec. 11	Dec. 28	Dec. 29	Jan. 9

* "New time" dealings may take place from 9.30 am two business days earlier.

Stock Exchange partners and members turned out in force yesterday to greet Her Majesty the Queen and the Duke of Edinburgh on a rare visit to the trading floor. Business was halted for about 15 minutes while the Queen and the Duke chatted to several members, and it failed to regain momentum afterwards. The result was that the volume of trade, as measured by official markings of 3,218, was the smallest for a long time apart from holiday periods.

Prior to the Royal visit, equities had rallied from the previous day's dullness. Encouraged by the overnight recovery on Wall Street, a revived small investment demand which included one or two larger orders found the market still low on supplies of good-class shares and the improved price level owed much to technical influences.

Secondary issues were largel neglected apart from situation stocks and those in receipt of bid approaches. In the latter category, Averys jumped 64 to 238p, after 242p, on the surprise move which could lead to GEC making an offer, while Wilmot Breeden responded to the exploratory talks with the U.S.-based Rockwell with a gain of 13 to 77p.

Illustrating the performance of leading equities, the F.T. Industrial Ordinary share index was 1.1 better ta 10 am and 5.3 higher at the 1 pm calculation before a close of 4.8 up on balance at 486.3; *this represents a gain of 6.4 on* th week and one of 13.5 over the past fortnight.

Gilt-edged securities showed a broad list of gains. Business here was also at a reduced level, but produced improvements extending to ½ among the high-coupon longs and of 1/16 generally in the shorter maturities. Continuing interest was shown in the two Variable coupon stocks, while the two shorts quoted in clean form also attracted support. Treasury 8¼ per cent 1982, at 88¼, and Exchequer 8¾ per cent 1983, at 88 1/16, rising 1/16 apiece.

Nat. & Commercial up

Conditions in the investment currency market remained fairly active and after a good two-way trade the premium finished ½ higher at 78¾ per cent. Yesterday's SE conversion factor was 0.7336 (0.7510).

Interest in Traded Options remained minimal with only 311 contracts completed, compared with the previous day's 283 and Tuesday's 1,006.

No comment.

A recent favourable broker's circular continued to attract buyers to the major clearing banks and although closing levels were a few pence below the day's best, rises still ranged to 8. NatWest ended that much better at 283p, while Barclays firmed 7 to 365p as did Lloyds, 275p, while Midland hardened 5 to 363p. Bank of Scotland added 8 to 291p in sympathy. Comment on the second-half profits recovery helped National and Commercial advance 4 to 79p.

Insurances were featured by a *speculative spurt of 13 to 187p in* Matthews Wrightson. Brentnall Beard cheapened 2 to 44p awaiting further news of the bid approach, but still recorded a rise of 8 on the week. Sun Alliance rose 6 to 516p among Composites where Phoenix hardened 2 to 238p ahead of next Wednesday's third-quarter figures.

Wines and Spirits tended better. Highland added 8 to 135p ahead of the 1-for-1 scrip issue due on December 11, Invergordon rose 4 to 154p and Distillers gained a like amount to 203p

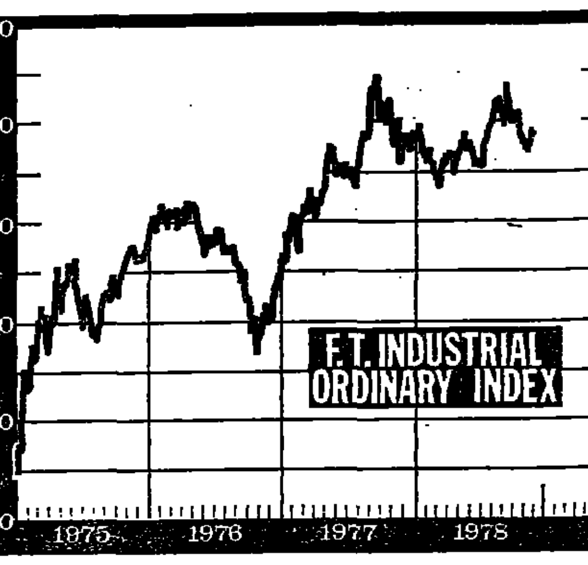
Leading Buildings closed a shade firmer in the absence of sellers following another quiet session. Still drawing strength from the impressive interim results, BPB Industries firmed 5 to 250p for a rise on the week of 27. Secondary issues displayed no set trend although one or two notable gains were recorded. In thin markets, Heywood Williams moved up 4 to 148p and Benlox 2 to 28p. Walter Lawrence and F.J.C. Lilley added 3 apiece to 96p and 71p respectively, while Westbrick Products, in continued response tc the better-than-expected half-yearly profits and the board's confident statement, hardened a penny to 61p for a rise of 5 since the announcement on Wednesday. Responding to Press comment, Redland improved 3 to 160p and M. J. Gleeson a penny to 36p. Sharpe and Fisher put on 2 to a high for the year of 52p and Erith 3 to 102p. Housebuilders Milbury continued firmly, adding another 2 to 70p for a rise on the week of 8.

ICI touched 374p before shading to close at 372p, just 2 better on balance. Fisons held a similar improvement at 311p and, in a thin market, Alginate gained *5 to 226p. Leigh Interests provided* an isolated dull spot, finishing a net 2 down at 122p, after 118p, following a spate of small selling.

Stores displayed no set trend following a negligible business. NSS Newsagents hardened 2 to 111p ahead of next Tuesday's preliminary results but Blackman and Conrad cheapened 2 to 23p despite the first-half profits recovery. Henderson-Kenton relinquished 3 to 82p as did Lee Cooper, to 165p. Of the leaders, Gussies A hardened 2 to 306p and Combined English edged forward a penny to 111p but House of Fraser lost 3 at 132p. In Shoes, K gained a penny to 72p: the annual figures are due next Friday.

Quietly firm conditions prevailed in the Electrical market, with EMI edging up 3 to 158p and Plessey a similar amount to 108p in the leaders. Scattered demand was forthcoming for Electronic issues. AB Electronic revived at 147p, up 5, and gains of a like amount were recorded in Farnell, 380p and Ferranti, 373p. Further consideration of the interim statement prompted a rally of 2 to 334p in Racal.

News of the surprise bid approach *from GEC which could* lead to an offer of 225p cash per share prompted a sharp upward movement in Averys which jumped to 242p before settling at 236p for a rise of 62 on the day; GEC interim results due next Thursday, rose 6 to 331p. Elsewhere in the Engineering sector,



United Wire firmed 3½ more to 69p following the results, but Amalgamated Power, a firm market of late, ran back 4 to 136p. Buyers again showed interest in Manganese Bronze, up 4 more at 64p, after 65p, while similar improvements were recorded in Bullough, 154p, and Green's Economiser, 75p. Smaller-priced issues to make headway included Warwick Engineering, up 2 at a new peak for the year of 41p and Drake and Scull, 2½ dearer at 34½p. Brooke Tool held at 54p following news that Birmingham and Midland Counties Trust has acquired a holding of nearly 24 per cent in the company. Leading issues edged higher, John Brown new shares improving 2 to 40p premium and Vickers regaining 3 to 200p.

Mirroring market sentiment, Foods adopted a firmer stance, with Associated Dairies and Cartiers 4 to the good at 188p and 108p respectively. Other movements of note included G. F. Lovell, which, in a thin market, held a like gain at 60p, and Kwik Save which improved 1½ to 81½p. Tesco firmed a penny to 53p and Rowntree Mackintosh 5 to 405p. Brooke Bond hardened ½ to 48p, the £1m acquisition of Murphy Chemicals from Glaxo having little impact. Butchers Lidstone were steady at 170p, but held a gain on the week of 75 following Wednesday's bid approach.

Trust Houses Forte improved 2 to 242p in quiet Hotels and Caterers.

Reed Int. dip and rally

A Press report that the group's planned sale of its Canadian interests had fallen through sparked off early selling of Reed International which touched 151p before rallying to close only 4 down on balance at 157p following the company's statement that talks with Macmillan Bloedel had terminated but that discussions are continuing with several other interested parties. Pilkington rose *7 to 302p on small buying ahead* of next Wednesday's interim results and improvements of 7 and 5 respectively were recorded in Reckitt and Colman, 472p, and Rank, 257p. Elsewhere, IC Gas gained 15 to 368p on buying ahead of the annual results due on December 12 and Chubb put on 5 to 146p, after 150p, in response to speculative buying fuelled by takeover suggestions. Scapa added 4 to 107p on the favourable mid-term results and Stocklake at 68p, recorded a Press-inspired rise of 3. Hays Wharf added 5 at 138p, while Vinten, 145p, and Dundonian, 49p, both improved 3 ahead of interim statements early next week. News of Courtaulds' decision to sell to various institutions its near-20 per cent stake in Chamberlain Phipps left the latter a penny dearer at 47p. Hoover A, on the other hand, fell 7 mor eto 230p on further consideration of the company's plans for major cutbacks at its factories in Wales, London and Glasgow because of overseas competition. Brady Industries A, 4 lower on the day at 48p, and 14 down on the week, continued to reflect the interim profits setback.

Pleasurama and Black and Edginton encountered a little more speculative support and firmed 2 apiece to 79p and 96p for respective gains on the week of 10 and 8. Late offerings clipped 3 from Norton and Wright at 142p.

Following the commencement of talks concerning possible future co-operation with Rockwell International, Wilmot Breeden spurted 13 to 77p. Elsewhere in Motor components, Herman Smith held at 11½p despite the trading loss. Among quietly traded Distributors, Heron Motor rose 10 to 110p, and the 10 per cent Convertible 10 points to £175. Attwood Garages put on a penny at 29p after the marginally improved interim figures.

Speculation over a bid, possibly from the U.S., lifted Mills and Allen to a 1978 high of 228p before a close of 7 up on balance at 227p.

Properties remained largely untested, but retained a firm undertone and held modest improvements where changed. Stock Conversion and Great Portland Estates improved 4 to 282p and 224p respectively. Peachey found a little support and firmed 1½ to 85½p *and* late, interest lifted Warnford 6 to 344p. Bellway put on another penny for a rise on the week of 5½ to a 1978 peak of 82p. Responding to demand that developed late on Thursday, Estates Property Investment gained 6 to 108p. Westminster held at 22p despite the lower interim profits.

B.P. move ahead

Helped by currency influences and by hopes that the worst may now be over, British Petroleum, up 20 at 944p, after 954p, more than recovered the previous day's loss of 10 which followed the disappointing third-quarter figures. In sympathy, Shell improved to 588p before settling at 585p for a rise of 2 on balance. Outside the leaders, Burmah firmed 2 to 75p, while Siebens (UK) rose 12 more to 276p following news that financing talks had started on the Brae Oil Field. Cluff rose 13 to 388p.

Inchcape, again hit by the £12m cocoa debt provision, dropped another 6 for a fall of 31 on the week to 297p, after 295p. In marked contrast, J. E. Sanger, recently affected by disappointing trading results rallied 5 to 37p.

Trusts made a little headway, while in Financials, Akroyd and Smithers gained 3 to 196p in response *to Press mention.*

Despite a continuing paucity of business, Shippings took on a better appearance. P. and O. Deferred picked up 3 to 84p, and Reardon Smith closed similarly higher at 80p, while Common Bros. edged up 5 to 160p.

John Foster put on 4 to 45p after news of Vantona's increased stake in the company, which has reached over 17 per cent. Further reflections of Thursday's excellent final results had Tomkinsons Carpets 3 better at 65p, while a single sizeable buyer helped speculative counter Sirdar rise 4 to 73p. Illingworth Morris ordinary and A eased a penny apiece to 31p and 30p respectively following the company's forecast of a profits downturn.

Revival of scrip issue hopes and rumours of a merger with Kuala Lumpar Kepong, lifted Highlands and Lowlands 7 to 103p; Kuala added 2 to 65p.

Diamond issues lively

After remaining relatively quiet for the past couple of weeks the market in Australian diamond exploration stocks suddenly sprang to life amid a spate of rumours which included talk that a report from the Ashton venture was imminent and that diamonds had been found on territory adjacent to the venture.

Consequently, most of the diamond exploration stocks attracted a fair demand with the Ashton partners being particularly well supported. Conzinc Riotinto, the major participant climbed 20 to 268p, *Ashton Mining rose* 5 to 71p and Northern Mining 8 to 86p.

Among the more speculative stocks North West Mining added 5 to 28p, after 30p, Otter Exploration and Jones Mining 4 to 30p and 26p respectively and Western Queen 3 to 19p.

The London-registered Financials with diamond exploration interests also attracted modest support. Rio Tinto-Zinc 240p and Charter, 132p, improved 2 and 5 respectively, while Tanks hardened a penny to 166p.

It was a dismal week for South African Gold shares with business at minimal levels throughout and prices merely drifting in line with the bullion price.

Yesterday they tended to harden a shade reflecting a $1 recovery in the metal price to $194.375 an ounce, but the Gold Mines index, although 0.5 up at 124.8, was still 9.3 lower on the week. The ex-premium index, 0.7 better at 94.0, lost 4.8 over the longer period. South African Financials moved similarly to Golds.

Westfield Minerals, active all week following news of the company's uranium prospect in Newfoundland, gained 15 further to 360p for a rise on the week of 40p. Northgate, which has a 45 per cent interest in Westfield, added 10 at 430p.

FINANCIAL TIMES STOCK INDICES

—	Dec. 1	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 24	A year ago
Government Secs.	68.66	68.50	68.53	68.55	68.38	68.29	74.14
Fixed Interest	69.97	69.98	69.98	69.94	69.89	69.74	77.03
Industrial	486.3	481.5	489.0	489.9	484.9	479.9	486.7
Gold Mines	124.8	124.3	124.1	125.3	129.8	134.1	141.3
Gold Mines (Ex-$ pm)	94.0	93.3	93.1	93.8	97.2	98.8	102.3
Ord. Div. Yield	5.92	5.98	5.90	5.88	5.94	5.98	5.51
Earnings, Y'ld% (full)	15.53	15.71	15.49	15.44	15.58	15.70	16.59
P/E Ratio (net) (*)	8.31	8.22	8.34	8.36	8.29	8.22	8.54
Dealings marked	3,218	4,254	4,081	5,155	4,654	4,413	5,840
Equity turnover £m	—	62.69	65.35	64.45	66.82	71.56	62.30
Equity bargains total	—	13,532	16,033	16,587	15,640	16,530	12,448

10 am 482.6. 11 am 484.9. Noon 485.9. 1 pm 486.8. 2 pm 486.2. 3 pm 486.2.

Latest Index 01-236 8026.

* Nil=8.06.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ pm index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

S.E. ACTIVITY

[illegible]

LONDON TRADED OPTIONS

Option	Exercise price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	850	118	8	132	—	150	—	945p
BP	900	65	7	96	—	115	5	"
BP	950	25	30	57	—	78	—	"
Com. Union	160	2½	—	6	—	11	5	148p
Cons Gold	180	7	4	16	10	19	—	178p
Courtaulds	120	6½	6	12	—	13	—	119p
Courtaulds	130	2½	2	6½	35	7½	—	"
GEC	280	56	10	63	—	—	—	330p
GEC	300	37	7	47	—	56	—	"
GEC	330	15	9	26	8	38	—	"
GEC	360	4½	7	13½	—	—	—	"
Grand Met.	100	14½	—	17½	10	21½	—	110p
Grand Met.	110	6	30	9½	10	13½	—	"
Grand Met.	120	1½	9	5	—	7½	—	"
ICI	360	24	3	30	—	42	—	372p
ICI	390	7½	12	15½	—	22	—	"
Land Secs.	220	26	—	34	—	37	5	242p
Land Secs.	260	2	15	8½	—	14	—	"
Marks & Sp.	70	17½	—	20	1	22	—	85p
Marks & Sp.	100	1	—	3½	2	—	—	"
Shell	550	46	—	56	2	75	—	585p
Shell	600	11	7	26	22	42	—	"
Totals			166		100		15	
		February		May		August		
Boots	220	5	10	11	—	15	—	197p
EMI	160	11	—	17	6	22	—	158p
RTZ	260	8	14	15	—	21	—	240p
Totals			24		6		—	

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	67	—	11	175	23	192
Corporations, Dom. and Foreign Bonds	4	2	55	34	17	254
Industrials	393	145	991	1,875	1,131	4,639
Financial and Prop.	129	44	339	824	355	1,381
Oils	11	4	22	42	40	103
Plantations	7	3	21	38	14	103
Mines	31	8	101	114	227	359
Recent Issues	6	—	23	25	13	105
Totals	648	206	1,563	3,127	1,820	7,136

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
BP	£1	14	944	+20	954	720
ICI	£1	9	372	+ 2	421	328
Shell Transport	25p	9	585	+ 2	602	484
Beecham 'New'	Nil/pd.	8	50pm	+ 3	50pm	25pm
Bowater	£1	6	178	+ 1	212	163
Chubb	20p	6	146	+ 5	150	106
P & O Defd.	£1	6	84	+ 3	118	76½
Racal Electronics	25p	6	334	+ 2	362	196
BATs Defd.	25p	5	252	+ 2	304	227
GEC	25p	5	331	+ 6	340	233
Grand Met.	50p	5	110	—	121	87
GUS 'A'	25p	5	306	+ 2	340	256
GKN	£1	5	265	—	298	248
Marks & Spencer	25p	5	85	—	94	67½
Rank Org.	25p	5	257	+ 5	296	226

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1978 high	1978 low
BP	£1	89	944	+ 8	954	720
Beecham 'New'	Nil/pd.	65	50pm	+ 5	50pm	25pm
Shell Transport	25p	59	585	+ 1	602	464
Inchcape	£1	54	297	−31	445	295
Barclays Bank	£1	53	365	+18	368	296
ICI	£1	51	372	+ 8	421	328
BATs Defd.	25p	47	252	+ 8	304	227
GEC	25p	43	331	+13	340	233
Marks & Spencer	25p	39	85	—	94	67½
Midland Bank	£1	39	363	+18	390	330
Bowater	£1	36	178	− 2	212	163
NatWest	£1	34	283	−17	298	250
Distillers	50p	32	203	− 2	215	163
Grand Met.	50p	32	110	− 2	121	87
Rank Org.	25p	32	257	−11	296	226

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hambros Bank	12½%
Allied Irish Banks Ltd.	12½%	■ Hill Samuel	§12½%
American Express Bk.	12½%	† C. Hoare & Co.	12½%
Amro Bank	12½%	Julian S. Hodge	13½%
A P Bank Ltd.	12½%	Hongkong & Shanghai	12½%
Henry Ansbacher	12½%	Industrial Bk. of Scot.	12½%
Associates Cap. Corp.	12½%	Keyser Ullmann	12½%
Banco de Bilbao	12½%	Knowsley & Co. Ltd.	14½%
Bank of Credit & Cmce.	12½%	Lloyds Bank	12½%
Bank of Cyprus	12½%	London Mercantile	12½%
Bank of N.S.W.	12½%	Edward Manson & Co.	13%
Banque Belge Ltd.	12½%	Midland Bank	12½%
Banque du Rhone	13%	■ Samuel Montagu	12½%
Barclays Bank	12½%	■ Morgan Grenfell	12½%
Barnett Christie Ltd.	13½%	National Westminster	12½%
Bremar Holdings Ltd.	13½%	Norwich General Trust	12½%
Brit. Bank of Mid. East	12½%	P. S. Refson & Co.	12½%
■ Brown Shipley	12½%	Rossminster	12½%
Canada Perm't Trust	12½%	Royal Bk. Canada Trust	12½%
Cayzer Ltd.	12½%	Schlesinger Limited	12½%
Cedar Holdings	12½%	E. S. Schwab	13½%
■ Charterhouse Japhet	12½%	Security Trust Co. Ltd.	13½%
Choulartons	12½%	Shenley Trust	14%
C. E. Coates	12½%	Standard Chartered	12½%
Consolidated Credits	12½%	Trade Dev. Bank	12½%
Co-operative Bank	*12½%	Trustee Savings Bank	12½%
Corinthian Securities	12½%	Twentieth Century Bk.	13½%
Credit Lyonnais	12½%	United Bank of Kuwait	12½%
Duncan Lawrie	12½%	Whiteaway Laidlaw	13%
The Cyprus Popular Bk.	12½%	Williams & Glyn's	12½%
Eagil Trust	12½%	Yorkshire Bank	12½%
English Transcont.	12½%		
First Nat. Fin. Corp.	14%		
First Nat. Secs. Ltd.	14%		
■ Antony Gibbs	12½%		
Greyhound Guaranty	12½%		
Grindlays Bank	12½%		
■ Guinness Mahon	12½%		

■ Members of the Accepting Houses Committee.

* 7-day deposits 10%, 1-month deposits 10½%.

† 7-day deposits on sums of £10,000 and under 10% up to £25,000 10½% and over £25,000 11%.

‡ Call deposits over £1,000 10%.

§ Demand deposits 10%.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 21	Dec. 4	Feb. 22	Mar. 6
Dec. 5	Dec. 18	Mar. 8	Mar. 20
Dec. 19	Jan. 8	Mar. 22	Apr. 3

For rate indications see end of Share Information Service

Stocks favoured for the call included London and Northern, F.N.F.C., John Brown, Messina (Transvaal), Hongkong and Shanghai Banking, Lovex, Hampson Industries and British Land. No puts were reported, but doubles were arranged in Barker and Dobson and Lonrho.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (26)

[illegible]

NEW LOWS (4)

[illegible]

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

[illegible]

FIXED INTEREST PRICE INDICES

[illegible]

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

[illegible]

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

INSURANCE AND PROPERTY BONDS

For Equitas Securities Ltd.
see Abbey Unit Trust Mngrs.

Equity & Law Un. Tr. M.♥ (a)(b)(c)

Amersham Rd., High Wycombe 0494 33377

Equity & Law	66.8	70.3	+0.4	4.42

James Finlay Unit Trust Mngt. Ltd.

10-14, West Nile Street, Glasgow. 041 204 1321

J. Finlay Internat'l	22.0	23.6	+0.8	2.66
Accum. Units	26.0	28.0	-1.0	2.66
J. Finlay Income	35.7	38.4	+1.4	8.36
J. Finlay Euro Fin.	26.1	28.0	-0.8	2.78
Accum. Units	30.9	33.2	-0.8	2.78
J. Finlay Fd. In. Tst.	27.4	29.0	+0.6	4.24
Accum. Units	31.9	34.2	-0.1	4.24

Prices Nov. 29. Next dealing Dec. 6.

Unit Trust Managers Ltd.♥ (a)

Courtwood House, Silver Street, Head Sheffield, S1 3RD Tel. 0742 79842

Commodity & Gen.	62.9	68.7	+0.3	5.67
Do Accum.	74.1	80.9	+0.4	5.67
Growth	35.1	37.8		3.41
Do Accum.	38.1	41.8	+0.1	3.41
Capital	25.6	27.6		4.08
Do. Accum.	28.0	30.1		4.08
Income	51.9	55.9		6.80
Do Accum.	60.6	65.2		6.80
International	40.6	43.9	-0.3	3.49
Do Accum.	43.6	47.0	-0.1	3.49
High Yield	62.6	67.4		8.37
Do. Accum.	68.4	73.6		8.37
Equity Exempt*	105.2	111.0		5.69
Do Accum.*	105.2	111.0		5.69
Japan & Pacific	47.2	50.3	+0.3	0.99
Do. Accum.	47.2	50.3	+0.3	0.99

*Prices at Nov. 7. Next dealing Dec 1.

CORAL INDEX: Close 484-489

INSURANCE BASE RATES

†Property Growth 10¼%

†Vanbrugh Guaranteed 10.75%

†Address shown under Insurance and Property Bond Table

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
24	17	Antofagasta Rly	23½	.....	—	—
41	33	Do 5pc Pref	39xd	.....	—	—
98	98	Chilean Mixed	98	.....	—	13.10
415	350	German Ync. 4½pc	411	.....	4½	—
54	46	Greek 7pc Ass	50	.....	3½	17.20
51	46	Do 6pc 28 Stab. Ass	49	.....	6	16.24
44	40	Do 4pc Mixed Ass	40	.....	4	15.13

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 32½% (based on US$1.9370 per £)
Conversion factor 0.7326 (0.7510)

CANADIANS

S.E. List Premium 32¾% (based on $2.2617 per £)

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

FOOD, GROCERIES—Continued

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

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MOTORS, AIRCRAFT TRADES

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[illegible]

TOBACCOS

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Finance, Land, etc.

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FINANCE, LAND—Continued

[illegible]

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[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

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Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
15	9	Acmex 25c	10	.....	—	—	—
140	64	Bougainville 50Toea	115	+3	†Q8c	1.4	4.4
131	63	BH South 50c	107	.....	—	—	—
820	150	Central Pacific	400	−25	—	—	—
336	148	Conzinc Riotinto 50c	268	+20	‡Q10c	2.2	‡
27	9½	Endeavour 20c	16	−½	—	—	—
75	45	G.M. Kalgoorlie $1	54	.....	—	—	—
68	18	Haoma Gold N.L.	32	+2	—	—	—
140	81	Hamptn. Areas 5p	140	.....	t3.55	2.0	3.8
40	10	Metals Ex. 50c	27	+1	—	—	—
223	125	M.I.M. Hldgs. 50c	189	.....	Q9c	1.7	2.9
22	10	Minefields Expl	15	.....	—	—	—
40	10	Mount Lyell 25c	29		—	—	—
7	1½	Newmetal 10c	4½	.....	—	—	—
143	79	North B. Hill 50c	99	+1	Q8c	1.3	5.0
16½	8½	Nth. Kalgurli	10½		—	—	—
50	12	Nth. West Mining	28	+5	—	—	—
178	115	Oakbridge $A1	115		Q12c	1.9	13.0
42	10	††Otter N.L.	24	.....	—	—	—
70	30	Pacific Copper	56	+2	—	—	—
£15½	750	Pancont'l 25c	775		—	—	—
40	12	Paringa M&Ex. 5p	17		—	—	—
570	310	Peko-Wallsend 50c	422	+8	Q15c	♦	2.2
300	50	Southern Pacific	160	−10	—	—	—
164	84	Westn. Mining 50c	123		Q3c	0.7	1.5
100	35	Whim Creek 20c	90	.....	—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
30	23	Amal. Nigeria	24	.....	2.81	1.3	17.4
420	240	Ayer Hitam $M1	305	+5	Q300c	0.5	21.1
60	45	Beralt Tin	55	.....	14.0	4.4	11.4
305	190	Berjuntai $M1	205	.....	Q110c	1.0	11.5
185	111	Geevor	165	.....	5.04	5.8	4.6
11	8½	Gold & Base 12½p	10	.....	—	—	—
350	220	Gopeng Cons	300	.....	†15.36	0.9	7.6
310	130	Hongkong	310	.....	12.5	♦	6.0
93	78	Idris 10p	78	.....	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	.....	—	—	—
84	64	Kamunting $M0.50	64	.....	Q12½c	2.1	4.2
640	450	Killinghall	640	.....	Q28.36	♦	22.9
470	280	Malay Dredging $M1	365xd	.....	Q175c	♦	10.3
78	40	♦Pahang	44	+1	Q0.62c	♦	0.3
78	50	Pengkalen 10p	65	.....	6.60	1.3	15.2
270	165	Petaling $M1	220	.....	Q120c	♦	12.4
87	49	Saint Piran	60	.....	2.05	6.5	3.8
70	47	South Crofty 10p	63	.....	4.19	2.0	9.9
245	140	South Kinta $M0.50	185	.....	sQ145c	0.6	16.8
340	230	Sthn Malayan $M1	280xd	.....	††Q131.3c	1.1	10.1
240	134	Sungei Besi $M1	200	.....	Q65c	5.3	7.0
85	55	Supreme Corp. $M1	68	.....	ZQ10c	—	3.2
100	84	Tanjong 15p	90	.....	6.60	0.8	10.9
100	74	Tongkah Hrbr. $M1	82	.....	Q52%	0.7	9.8
270	148	Tronoh $M1	195	+5	‡Q88c	1.6	‡

COPPER

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
104	54	Messina R0.50	55	+1	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
68	35	Barymin	60	+21	—	—	—
17	9	Burma Mines 17½p	13	.....	—	—	—
300	180	Cons. Murch. 10c	185	.....	‡Q30c	2.6	‡
465	245	Northgate C$1	430	+10	—	—	—
263	164	R.T.Z.	240	+2	9.5	2.8	5.9
90	30	Sabina Inds. C$1	46	+1	—	—	—
£12	693	Tara Exptn. $1	693	−27	—	—	—
185	120	Yukon Cons. C$1	134	.....	Q7c	2.9	2.5

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
$15¾	$10¼	Buffels R1	$10¼	.....	Q170c	1.8	19.1
$11¼	830c	East Drie R1	845c	.....	†Q78c	1.7	10.6
585c	330c	East Rand Prp. R1	370c	.....	—	—	—
$28⅜	$16½	F.S. Geduld 50c	$17⅛	+⅛	Q315c	♦	20.9
$15⅛	975c	Pres. Brand 50c	$10½	.....	Q150c	♦	16.5
$13⅜	900c	St. Helena R1	988c	+13	Q190c	♦	22.2
465c	313c	Stilfontein 50c	380c	.....	†Q22c	2.3	6.7
$17⅞	$16⅛	Vaal Reefs 50c	$16¼	−½	Q115c	3.3	7.9
$37	$25	West Drie R1	$27½	.....	Q385c	1.7	16.1
$31¼	$19	West Hldgs. 50c	$20½	+⅛	Q415c	♦	23.4
$12½	695c	Western Deep R2	962c	+12	Q82.5c	2.4	9.9

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ϕ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✝ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; ✗ ex capital distribution.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	
Ash Spinning	66xd	
Bertam	15	
Bdg'wtr Est. 50p	323	
Clover Croft	28	
Craig & Rose £1	615	
Dyson (R. A.) A	35	
Ellis & McHdy	64	
Evered	24	
Fife Forge	52	
Finlay Pkg. 5p	21	
Graig Ship. £1	140	
Higson Brew	74xd	
Holt (Jos) 25p	252	
I.O.M. Stm. £1	180	
Nthn. Goldsmith	70xd	.....
Pearce (C. H.)	190	.....
Peel Mills	21	.....
Sheffield Brick	55	.....
Shef. Refrshmt.	67xd	.....
Sindall (Wm.)	117	.....

IRISH

Conv. 9% '80/82	£90⅛	+⅛
Alliance Gas	103	.....
Arnott	352	.....
Carroll (P. J.)	100	.....
Clondalkin	105	−5
Concrete Prods	130	.....
Heiton (Hldgs.)	46	.....
Ins. Corp	160	.....
Irish Ropes	105	.....
Jacob	50	−4
T.M.G.	185	.....
Unidare	85	.....

OPTIONS

3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	20	Tube Invest	30
A.P. Cement	10	"Imps"	6	Unilever	35
B.S.R.	9	I.C.L.	20	Utd. Drapery	7½
Babcock	11	Inveresk	8	Vickers	15
Barclays Bank	25	KCA	3	Woolworths	5
Beecham	35	Ladbroke	17	**Property**	
Boots	15	Legal & Gen	14	Brit. Land	3¼
Bowaters	16	Lex Service	7	Cap. Counties	4½
B.A.T.	24	Lloyds Bank	22	E.P.	5
British Oxygen	5	"Lofs"	4	Intreuropean	4
Brown (J.)	20	London Brick	5	Land Secs.	16
Burton 'A'	12	Lonrho	5	MEPC	12
Cadburys	5	Lucas Inds	25	Peachey	8
Courtaulds	10	Lyons (J.)	10	Samuel Props.	9
Debenhams	8	"Mams"	7	Town & City	1¼
Distillers	15	Marks & Spncr	10	**Oils**	
Dunlop	7	Midland Bank	25	Brit. Petroleum	45
Eagle Star	12	N.E.I.	12	Burmah Oil	5
E.M.I.	14	Nat. West Bank	22	Charterhall	3
Gen. Accident	17	Do. Warrants	10	Shell	28
Gen. Electric	18	P&O Dfd	8	Ultramar	20
Glaxo	40	Plessey	8	**Mines**	
Grand Met.	[illegible]	R.H.M.	5	Charter Cons.	12
G.U.S. 'A'	20	Rank Org. 'A'	18	Cons. Gold	14
Guardian	18	Reed Intnl.	12	Rio T. Zinc	16
G.K.N.	22	Spillers	3		
Hawker Sidd	20	Tesco	4		
House of Fraser	12	Thorn	22		
		Trust Houses	15		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Saturday December 2 1978

MAN OF THE WEEK

Once upon a Times

BY MAX WILKINSON

THE MAIN question now being asked about Mr. Duke Hussey, chief executive of Times Newspapers, is: does he mean what he says, and if he does, has he thought out the consequences?

A lot hangs on the answers to those questions. Mr. Hussey announced on Thursday that The Times, The Sunday Times and the three supplements are to be closed indefinitely. He has said the papers will not be reopened until the unions meet management demands for a guarantee of uninterrupted production, a new disputes procedure and talks about introducing new technology.

So the question particularly for the unions—is whether Mr. Hussey has been playing an elaborate game of poker, or whether his colours are in some sense, nailed to the mast.

"Duke" Hussey

Inspired loyalty and affection from his senior executives

Clearly, it is hard to predict the outcome of a complicated dispute involving 54 bargaining units.

It is difficult to believe that Mr. Hussey has not worked out some detailed contingency plans which would encompass the possibility at least that The Times could stay closed for a very long period. This would undoubtedly be a very bitter result for Mr. Hussey, who, as chief executive for the last seven years has brought The Times through accumulated losses of more than £10m to a point where, in the absence of industrial trouble, it had the prospect of a reasonably healthy profit this year.

Perhaps his personal charm and ability to persuade people led him to believe that it would be easier to get the union officials in the Times Building on to his side than has so far proved the case. He probably did not think last April that it would eventually be necessary to close down the papers.

One reason may be that he gets on well personally with the union leaders at a national level and scored a notable success three years ago when he was chairman of the joint management and union group which drew up a document called Programme for Action.

This document embodied the central principle of introducing new technology without compulsory redundancies which is one of the objectives The Times is now trying to achieve. However, Programme for Action was rejected in Chapel (union shop) votes throughout Fleet Street. The Times management is now going rather further than Programme for Action in its insistence that journalists and advertising girls should be allowed to use the new computer setting equipment as well as members of the National Graphical Association.

Mr. Hussey's traditional establishment background is held against him by some, but not by all the local union officials. He went as a scholar from Rugby to Trinity College, Oxford, before war service in the Grenadier Guards. He was badly wounded on the Anzio beachhead and lost a leg.

It was ironic therefore that his first job in 1949 was as a messenger boy with Associated Newspapers. After a career in circulation and other departments, he became managing director of Harmsworth Publications in 1967 and then moved over to The Times shortly after the takeover by Thomson.

One of his great achievements was to recognise in 1971 that The Times's drive toward increased circulation was economically disastrous. He took the then controversial decision to concentrate on a smaller, high quality readership and thus to maximise the effect of advertising revenues.

This decision, coupled with the necessary marketing drive, laid the basis of the recovery. In the current crisis, therefore, Mr. Hussey stands at a precipitous peak of his career. If he succeeds in gaining the required union agreements, The Times and its sister papers appear set for a new era of prosperity. But if this bold push should fail—? Mr. Hussey would prefer to say: "We'll not fail."

Japanese reserves reach record $32bn

BY RICHARD C. HANSON

TOKYO, Dec. 1.

THE JAPANESE Finance Ministry today announced a large jump of $2.866bn in foreign reserves in November. This brings the reserves, made up of convertible currencies, gold and special drawing rights, to a record high of $32.261bn.

The monetary authorities also appear to have started selling the U.S. currency on the Tokyo foreign exchange market as the dollar continued its sharp climb.

The dollar rose today from the opening of Y199.50 to a high of Y201.70 when the Bank of Japan intervened, bringing the rate back by the close to Y201.25, still a steep rise from Y197.80 on Thursday. Intervention was estimated to have been $100m during the day. Spot volume was a fairly heavy $684m, while forward and swap trades hit $755m.

The increase in reserves worries officials, who want to absorb some of the excess in local money supply created in part by dollar buying (yen selling) intervention after the November 1 introduction of defence measures for the dollar.

Bankers estimated that the November increase was the result of about $1.25bn in official intervention in the exchange market during the month—the selling of SDRs by the U.S. amounting to about the equivalent of $630m, plus about $650m in a U.S. drawdown of its IMF reserve tranche and about $150m in interest income. It is also possible the U.S. activated about $20-50m of its $5bn swap arrangement with Japan.

The authorities' latest move against the rising dollar was expected earlier, but it is believed there have been only two other occasions for dollar selling during the month—November 20 and November 29—both for small, carefully placed amounts. Finance Ministry officials have in recent weeks expressed a strong willingness to sell dollars if the yen's drop becomes too exaggerated.

Stifled

Market analysts here say the main reason behind the dollar's strength this week was the conversion of about Y70bn in bonds placed by foreign governments in the Tokyo market into the U.S. currency, a temporary factor, favouring the dollar.

Meanwhile, figures released by the Economic Planning Agency (EPA) today show that Japan's real GNP growth in the July-September quarter was again stifled by a slowdown in exports, which is expected to continue at least until the end of the March fiscal year.

July-September GNP growth was only 1 per cent, or 4.1 per cent on an annual basis, unchanged from the April-June period performance.

The results appear to confirm the view that the official growth target for the March fiscal year of 7 per cent cannot be met and will be revised shortly by the new Ohira Government. Planning agency officials estimate quarterly growth rates of 3.4 per cent (more than 13 per cent on an annual basis) would have to be achieved to reach that goal.

It is estimated that 80 per cent of the actual GNP growth during the quarter was the result of a 1.5 per cent expansion in private consumer spending. The domestic sector as a whole grew 1.8 per cent, compared with 2.4 per cent in April-June and 1.7 per cent in January-March, when the export sector had been the major factor in a quarterly surge of 2.3 per cent, whereas it proved to be a drag of 0.7 per cent in the latest report.

Government officials say privately that the 1 per cent growth of this latest period was not surprising and some expect this pace will continue into the next fiscal year. It is now generally felt that annual growth this year will be 5-6 per cent.

Ceausescu puts forward East-West 'buffer' plan

BY PAUL LENDVAI

VIENNA, Dec 1.

MR. NICOLAE CEAUSESCU, the Romanian President and Secretary-General of the Communist Party, reaffirmed his country's independent foreign policy line today, and, in a somewhat cryptic proposal, suggested the establishment of what he called "a non-military buffer zone between the Western and Eastern military blocs."

Contrary to expectations, he refrained from launching new attacks against Moscow and spelling out in more detail Romania's grievances against the Warsaw Pact.

Mr. Ceausescu addressed 3,000 party member, and was frequently interrupted by applause. The Romanian leader restated that it was the sacred right of every nation to decide its own destiny without interference from abroad.

The Romanian army would act only on orders from the respective party and State bodies, and would never accept orders from the outside.

Romania was striving for close co-operation with the armies of the other Warsaw Pact states, but relations must be on an equal basis.

There could be no question of increasing Romanian military expenditure, since its present level was adequate and in accord with the international situation.

Diplomats of the other Warsaw Pact states attended today's celebration marking the 60th anniversary of the birth of the United Romanian States after apparently receiving some kind of assurance about the content of the President's speech. The Soviet and Bulgarian ambassadors, however, were still absent, and the two countries were represented by their chargés d'affaires.

Observers believe that Mr. Ceausescu's reference to an East-West buffer zone may be an attempt to renew, in a different form, the so-called Rapacki plan of a military disengagement between the blocs.

The plan, presented in October, 1957, and repeated in February, 1958, by the then Polish Foreign Minister, M. Abam Rapacki, originally called for a de-nuclearised zone in Central Europe comprising Poland, Czechoslovakia, West and East Germany.

The proposal was immediately rejected by the Americans, who aruged that it would prevent the U.S. from furnishing nuclear weapons to Bonn, and would undercut American advantages in the field of tactical nuclear weapons without offsetting Soviet superiority in long-range atomic missiles.

President Ceausescu nevertheless strongly reaffirmed—without mentioning China by name—that Romania would continue to promote friendship with all socialist countries.

He spoke about the differences between the Communist states which created "profound concern" in Romania, then he made an unprecedented reference to the fact that the conflicts between Communist states sometimes degenerated into very serious actions such as "a support of counter-revolutionary elements in certain countries and the instigation of these to overthrow the Government, actions which in a flagrant way violate the principles and the norms of relations between socialist countries, even international law and the UN Charter."

Shell will close part of Thames refinery

By Kevin Done, Energy Correspondent

SHELL is to close old and obsolete plant at its second largest UK refinery at Shell Haven in the Thames Estuary. About 550 jobs will be lost over five years.

Shell UK Oil said it is to invest £23m in the next five years in the modernisation programme which will be concentrated on the west side of the 900-acre site, near the deep-water jetties.

A bitumen plant and a laboratory are to be built. About *one-third of the tank storage* is to be scrapped along with much of the out-dated rail-loading facilities.

Parts of the refinery, which has a capacity for processing about 8.4m tonnes of Middle East crude oil a year, date back to the early 1950s.

Shell said yesterday that the refinery, with old equipment spread over a large area, was much more labour-intensive than most other plants in the UK and overseas. It had become less competitive against other refineries.

In common with most of the refining industry in the UK and Western Europe, it has suffered from the general overcapacity and depressed trading conditions. (The UK has a present refining capacity of 145m tonnes a year, with projected sales next year of 96m tonnes in the NK.) The Shell Haven plant has been operating at about 65-70 per cent of capacity.

Shell said that the modernisation programme should cut crude oil processing costs by about £1.20 a tonne. If the refinery operates at 5m tonnes a year this could give annual savings of £6m.

The present workforce of 1,850 at the site will be run down progressively to about 1,300 in 1983.

Shell said the staff reduction should come from normal and early retirement or from voluntary redundancy.

Boots will market Hercules products

BY SUE CAMERON, CHEMICALS CORRESPONDENT

BOOTS is to take over the agricultural chemicals marketing business of the U.S. based Hercules group. The move is expected to nearly double Boots' world sales in the field.

The two companies have agreed to set up a joint venture that will give Boots a 60 per cent share of Hercules' existing agrochemical marketing operation. Hercules, a major chemical concern with net sales this year of $1.7bn, will manufacture for the new company on a fee basis.

Initially, virtually all products will be manufactured by Hercules, but ultimately Boots hopes its new subsidiary will also act as a U.S. marketing outlet for its insecticides, Mitac and Taktic.

Neither Mitac nor Taktic has yet been fully registered in the U.S. so sales of the two products there are on an extremely limited basis. Boots said it was hoping for full registration soon.

Once registration has been obtained, it is planned to manufacture both insecticides in the UK and sell them through the U.S. outlet. Boots, however, has not ruled out the possibility of future production in the U.S.

Boots said yesterday that the U.S. was the largest single agrochemical market in the world. It described the acquisition as an exciting development because of the opportunities it offered to expand the group's *market in this field, and added* that Hercules' range of products complemented its own to "a *remarkable degree.*"

The company would not disclose the price of the acquisition, which depends on the two companies settling detailed terms, and obtaining exchange control consents.

Weather

UK TODAY

SOME RAIN, sleet or snow in most places.

London, all Eastern England.

W. Midlands, N.W. England, Lakes, Scotland including islands

Outbreaks of sleet or snow. Max. 3C (37F).

Channel Is., S.W. England, N. Ireland

Rain at times, becoming brighter. Max 7C (45F).

Wales, I of Man

Rain at times, snow on hills. Max. 5C (41F).

Outlook: Cold in E., milder in W. Rain or sleet at times.

BUSINESS CENTRES

		Y'day midday °C	°F			Y'day midday °C	°F
Amsterdam	C	-1	30	Madrid	S	5	41
Athens	F	13	55	Manchestr	S	0	32
Barcelona	S	10	50	Melbourne	S	19	66
Beirut	C	16	61	Mexico C.	S	21	70
Belfast	F	5	41	Milan	F	4	39
Belgrade	C	4	39	Montreal	C	-5	23
Berlin	R	6	43	Moscow	S	-6	21
Birmingham	C	-1	30	Munich	C	-2	28
Bristol	F	1	34	Newcastle	S	0	32
Brussels	F	-1	30	New York	S	5	41
Budapest	R	3	37	Oslo	Sn	-5	23
B. Aires	R	22	72	Paris	S	1	34
Cairo	S	22	72	Perth	S	24	75
Cardiff	C	4	34	Prague	Sn	0	32
Chicago	Sn	1	34	Reykjavik	F	5	41
Cologne	C	0	32	Rio de J'o	S	27	81
Copenhagn	C	2	36	Rome	R	10	50
Dublin	R	7	45	Singapore	C	29	84
Edinburgh	C	2	36	Stockholm	Sn	1	34
Frankfurt	Sn	2	36	Strasburg	C	1	34
Geneva	C	-1	30	Sydney	F	21	70
Glasgow	C	3	37	Tel Aviv	C	19	66
Helsinki	C	-3	27	Tokyo	C	13	55
H. Kong	S	21	70	Toronto	C	-2	28
Jo'burg	S	25	77	Vienna	C	3	37
Lisbon	C	17	63	Warsaw	C	[illegible]	[illegible]
London	F	2	36	Zurich	Sn	-2	28
Luxemb'g	S	-2	28				

HOLIDAY RESORTS

Ajaccio	C	12	54	Istanbul	F	10	50
Algiers	F	15	59	Jersey	C	1	34
Biarritz	S	8	46	Las Plms.	F	21	70
Blackpool	S	1	34	Locarno	S	7	45
Bordeaux	S	3	37	Majorca	S	13	55
Boulogne	S	-1	30	Malaga	S	17	63
Casablnca	F	21	70	Malta	F	15	59
Cape Tn	S	27	81	Nairobi	C	20	66
Corfu	F	13	55	Naples	C	10	50
Dubrovnik	S	10	50	Nice	C	10	50
Faro	F	18	64	Oporto	R	12	54
Florence	C	8	46	Rhodes	C	16	61
Funchal	S	20	68	Salzburg	C	-2	28
Gibraltar	F	18	64	Tangier	F	18	64
Guernsey	C	2	36	Tenerife	F	17	63
Innsbruck	F	0	32	Tunis	F	15	59
Inverness	C	4	39	Valencia	S	14	57
Is. of Man	F	5	41	Venice	C	3	37

S—Sunny F—Fair C—Cloudy, R—Rain, Sn—Snow.

Blacklist Ford call to companies

By Richard Evans, Lobby Editor

COMPANIES WHICH obtain Government contracts are to be discouraged from using Ford as a sub-contractor.

Mr. Joel Barnett, Chief Secretary to the Treasury, confirmed in a written Parliamentary answer yesterday that main contractors should not, under the Government's pay policy, place orders for Ford products to fulfil specific Government contracts.

The Government has already announced that it will not place further orders with Ford, following its 17 per cent pay settlement, and Mr. Barnett was asked what the impact of sanctions policy would be on main contractors, who have agreed to abide by incomes policy.

He replied that companies which were main contractors to the Government were obliged to obtain undertakings of compliance with pay policy from suppliers when they were also major sub-contractors.

"Since the Ford Motor Company is in breach of pay policy, it will not be able to sign these undertakings. This will jeopardise its prospects of getting business as a sub-contractor on Government contracts," Mr. Barnett wrote.

In a Parliamentary answer from Dr. John Gilbert, Minister of State for Defence, it was announced that 500 vehicles are on order from Ford by the Defence Ministry, and 921 from other departments and Government customers.

Sanctions threat in fabrics pay deal

By Nick Garnett, Labour Staff

THE Department of Employment has intervened in a pay settlement for 12,000 workers in the fabrics industry and warned employers that they may face sanctions unless the deal is renegotiated.

Union officials said yesterday that the department had acted ruthlessly against a fairly low-paid industry in which companies were small and vulnerable to the threat of sanctions.

The two main elements of the settlement, which covers the narrow fabrics industry, are to raise minimum earnings to £44.50—allowable under pay policy even if it means more than 5 per cent—and an increase of 7p an hour on the basic rate.

Employers' representatives say that the deal is difficult to value but the largest estimate was between 6 and 7 per cent overall. The two unions involved, the Transport and General Workers' Union and the General and Municipal Workers' Union, argue that the settlement can be assessed as within the 5 per cent.

The deal has apparently fallen foul not only of the 5 per cent guideline but also the department's "offsetting" rules.

Mr. Peter Evans, the transport workers' national secretary for general industry workers, said that the Government was insisting that the cost of two days' holiday, agreed last year but not within the main annual settlement, had to be offset against the cost of this year's deal.

The unions refuse to accept the department's interpretation and they and the employers are having further talks with officials.

The intervention reflects a determination to try to force employers—particularly small ones—to adhere to a rigid interpretation of pay policy.

Mr. John Broun, secretary of the employers' side of the industry's joint council, said that Department officials had been on the telephone to him within 48 hours of both pay negotiating meetings, asking for specific details of the deal.

The narrow fabrics industry manufactures a range of materials for clothing, furniture and fittings, and some car accessories.

Continued from Page 1

Wilmot

year were £90m, equivalent to Wilmot-Breeden's total sales.

Rockwell, which was formed from the merger of the aerospace technology of North American Aviation and Rockwell Standard, known for its motor parts, calculators and electronic equipment and power tools, is producing strong profit growth at present.

Wilmot-Breeden, by contrast, has suffered recently from the Ford strike and a stiff long-term redundancy programme. Pre-tax profits for the half-year to June dropped by £1m to £1.8m.

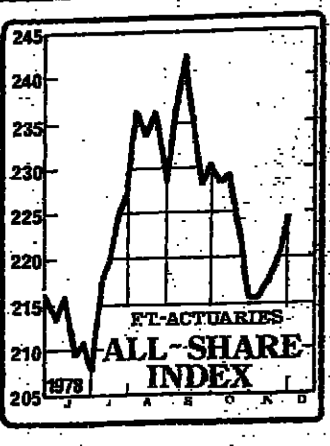
The talks between the two could be lengthy. One reason for announcing them is the need for open discussion with unions, management and Government bodies.

THE LEX COLUMN

Follow my leader in new issues

Over the week the FT 30-Share Index has gained 6.4 points, but turnover has been at a low ebb—with the Queen's visit providing a powerful diversion yesterday, and helping to depress the day's number of bargains marked to 3,218, the lowest since last Christmas. Share prices have wandered to and fro without much rhyme or reason except for the jobbers' desire to get their books right and stimulate business. The big lines of stock which were emerging when the Index was above 500 seem to have dried up. On the other hand, there is no great pressure of demand from institutional fund managers who see no pressing reason for plunging more heavily into an uncertain equity market when idle money can earn over 12 per cent on short-term deposit.

Index rose 4.8 to 486.3



New Issues

The stock market seems to think that Britain is a nation of shopkeepers. That at least is the conclusion which could be drawn from this year's activity on the new issues market. No fewer than six of the eight issues so far this year, and all of the last five, fall under the general heading of retailing and leisure—the latest being Milletts Leisure Shops. Why should it be that from all the different sectors of British industry only retailers want to tap the market in 1978?

It is partly, of course, that retailing happens to be the economy's boom sector at present. Stockbrokers Phillips and Drew are currently forecasting profits growth of 26 per cent for stores in 1978, better than for any other sector. Meanwhile the p/e ratio boosted by the stores sector in the FT-Actuaries table of indices is 12.18, once again by far the highest in the whole list (apart from the special case of property). So a modest company like Milletts is coming to the market next week — some 1.7m shares are being offered for sale at 110p each — on a prospective fully taxed p/e of 10.5.

Private retailers therefore see more advantage in going public than, say, engineers who would be condemned to a lower rating. They are also experiencing a profits surge — Milletts is forecasting a pre-tax jump of at least two-thirds — which they must privately fear will be followed by a much more pedestrian performance next year.

Finally, the sponsoring new issue houses have become nervous of flops, and one way of reducing the risks is to limit new issue activity to sectors where the trail has been successfully blazed by somebody else.

A new issue market dominated by this year's fashion, rather than by varied companies with solid long-term merits, carries the risk that it will be excessively speculative. The issuing houses are currently complaining of the burden of paperwork caused by excessive stagging activity. But until they can float new issues with a broader appeal they will have to live with this problem.

Illingworth Morris

A shiver seems to be going through the wool trade. Like Dawson International, Illingworth Morris has reported satisfactory first-half figures but is not optimistic about the year as a whole. It now looks as though IM will make pre-tax profits of little more than £4.5m for the year to next March against £4.76m last year (and the forecasts of £5.25m or more that were once being made for 1978-1979).

The main problem concerns export order books. IM says it is experiencing a general fall in international demand for wool textiles, while the Interstoff fair in Frankfurt suggested that fashion was deserting the worsted cloths that have been a major source of the group's recent recovery, and was shifting towards shaggier materials.

So far the recession has been gentle, but IM is very highly geared (despite receiving £1m from disposals in April) and will have to face a higher interest charge in the second half while still finding more than £2.5m a year for capital investment. The company may be looking to reduce stocks in line with the lower demand and there is a threat of widespread short-time working.

Considering that at some stage a home will have to be found for at least some of the 17m shares held by the Mason family, which represent about 43 per cent of the issued equity, the present yield of 8.3 per cent may not be enough to sustain the "A" shares at last night's price of 30p.

Rockwell/Wilmot

Collaboration rather than an outright takeover bid seems to be the objective of the exploratory talks now under way between Rockwell International of the U.S. and Wilmot Breeden—as least so far as the UK camp is concerned. Wilmot is currently at a low point in its profits cycle, largely as a result of heavy reorganisation costs in its UK motor components business, which may only break even this year on sales approaching £30m.

Group profits could fall by over a fifth in 1978 to £4m-£4.5m after £1.3m of special costs. But some analysts are already projecting upwards of £7m in 1979 as a result of recovery in the UK and further progress in the highly successful French components subsidiary.

A link with Rockwell, which has around £35m of motor component sales in the UK, could bring some badly needed new outlets for Wilmot. Its plant and labour force has been cut back radically in recent years. An obvious attraction for Rockwell, meanwhile, is Wilmot's French business, which will probably account for all Wilmot's profits this year and could represent roughly half its assets. And both sides are talking airily about the way that the trend towards common car designs in the world market could reshape the international components industry.

The talks could come to anything or nothing. Given the scope for higher profits next year, yesterday's 13p rise to 77p in Wilmot's shares for a market capitalisation of £16m does not look too outrageous.

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